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NATION'S BUSINESS



DECEMBER • 1930



The Road to Better Times

By Julius H. Barnes

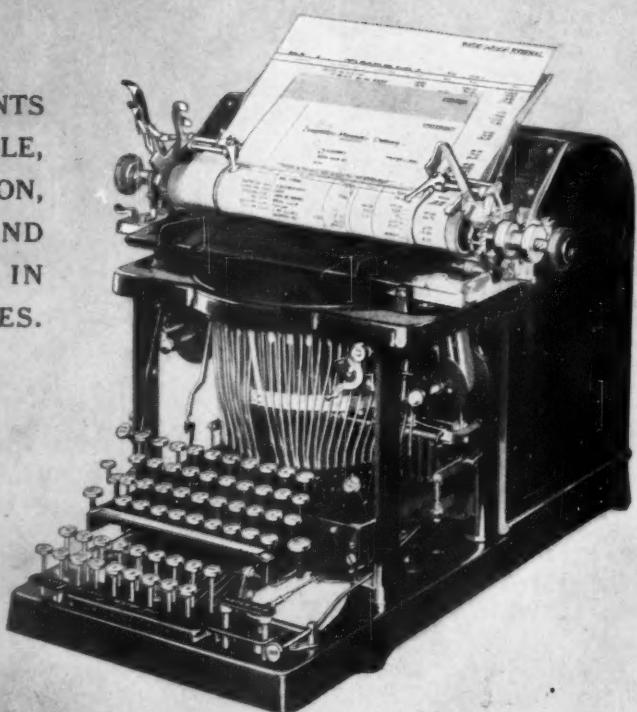
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NATION'S BUSINESS for December

VOLUME 18

NUMBER 13



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Along the Bund in Shanghai where they use Coolies for Carting, Tael for Trading and Rikshas for Runabouts.

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Next Month's Authors

IN THE face of the depression prevalent in the past year many firms have managed not only to hold their own but actually to increase their profits. This condition invited interest. What were these companies doing that others did not do and how had they changed their courses to meet the new situation. NATION'S BUSINESS sought the answer.

William McGarry, an experienced business writer, interviewed the presidents of several nationally known firms in the rising profits group. A score of them spoke frankly of their methods during the past year and these replies have been incorporated into an article which you will not want to miss. It will appear in the January number.

If you are one of those who has found the question of nationally advertised goods versus private brands taking an increasingly prominent place in your business, you will be interested in the study of this question made by L. D. H. Weld, director of research, McCann-Erickson, Inc. Mr. Weld discusses the advantages and disadvantages of each type of merchandise.

Other contributors of important articles for this number include Glen Buck, Fred Kelly, and Edwin C. Hill.

THIS MONTH'S COVER

Painted by Charles Dunn

IN 1848 California was added to the Union as a new territory—a territory forged by hardy men after years of quarreling among nations that desired it because of military strategy.

Over the Old Oregon Trail, land-hungry pioneers toiled to the great Northwest seeking farms in the fertile plains but paying little heed to the strip of land to the southward.

Then from California, rocketing across the world, came the cry of "gold." Answering came the Pioneer Prospector. Lean, wild men they were, aflame with selfish enthusiasm, scorning hardship and danger. Hard-fighting, hard-working, hard-playing men who poured from ships and streamed through the mountain passes bringing a new population with new bizarre problems that law and order strove frantically to meet.

By their strength and recklessness, they increased a nation's wealth; they supported a new commerce, they opened trails and trade in a new country. To them NATION'S BUSINESS dedicates this cover.

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NATION'S BUSINESS

A MAGAZINE FOR BUSINESS MEN

The Tragedy of Plenty

A YEAR ago we had a stock-market crash. It was not a cause of our present depression; it was a result of overconfidence. Today we suffer from overcaution, and I don't know which of the two is worse for us.

A year ago we peddled wild rumors of failures, disaster, panic. We told each other of two millions unemployed, but said nothing of the 42 millions on the job. We whispered to each other that the nation was "broke," that buying power had vanished, but said nothing of the 50 billions the banks had on deposit, and of the 15 billions, for example, which we could borrow on our "savings" in life insurance. In awed tones we spoke of fewer car-loadings, but said nothing of the 900,000 freight cars which were being loaded each week.

We talked ourselves into a state of fear. And we are still talking.

We find a perverse pleasure in seeking grounds for pessimism. Nothing reassures. We ignore the absence of those things which usually accompany panics. There is no scarcity of money. National credit was never so good. No suspension by banks of full cash payments. No sale of certified checks at a discount. No great failures. No disorders of currency.

And the irony of it.

Here, millions who desire things, food, shelter, clothing; other millions who desire greater conveniences and comforts of life; others, the luxuries. Not a single individual from Billionaire Ford (just back from a European vacation) on down, who is content, whose desires are satiated. All stand willing and eager to exchange their labor and services for the fruits of the labor and services of others.

Here, a surplus of foods, of building materials, of cotton, woolens and silk. The gigantic factory plant of the nation, with steam up, ready to go; agencies geared up as never before to furnish art, books, music, and travel.

A people, intelligent and powerful, helplessly milling around, unable to exchange labor and services and goods. Business in a stalemate.

The tragedy of plenty!

Meanwhile the shelves of the nation, both in stores and in homes, are becoming bare. Some day, just as the bubble of overconfidence burst a year ago, our present overcaution will vanish and then we shall all join in a mad scramble to buy. Factories will not be able to fill their orders, and when we hear of that, we shall become more excited to buy, demanding deliveries now. Our insistent demand will cause prices to go up and up and up.

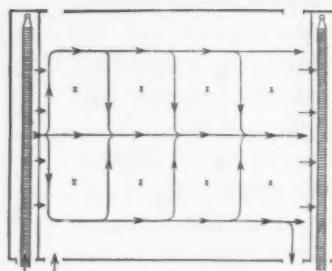
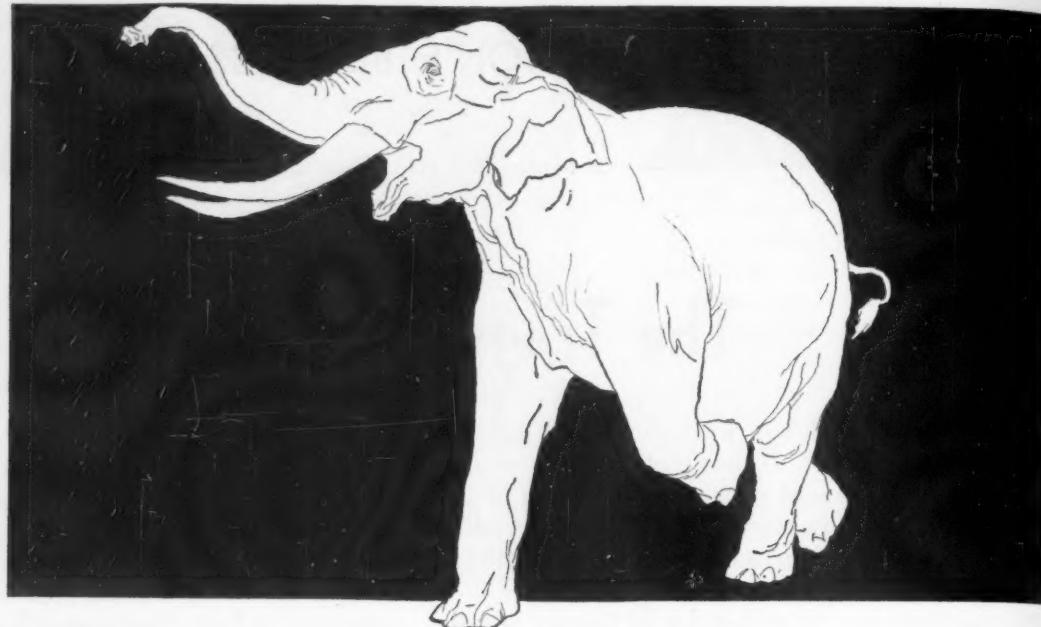
That has been the course of every depression. Prices on the down grade. The consumer is king. The dollar commands greater and greater values. Sentiment changes: Thrift comes to be a matter of wise spending as well as wise saving. The American people have never been and never will be content indefinitely with a hand-to-mouth existence.

And because of this, from every depression come new names, new faces, new fortunes, new business leaders. There are always a few who do not wait for Opportunity to repeat her knock at the door—and show credentials. There are always a few—even as there are a few today—who with foresight and common sense go quietly into a low-priced market, stock up raw materials, lay up supplies of every kind—even to household and personal supplies—and get ready for the inevitable upturn.

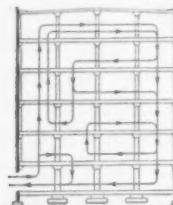
If you look about you, you will note that most of the big fortunes of today, and the successful men, came up out of times like these. Not blind buying, but intelligent buying, based on a complete picture of one's business in full view. Not a worm's-eye view alone, but the view of a man who on a clear day sees ten years ahead.

Never fear, from this tragedy of plenty there will come new names for the business headlines of tomorrow. They are in the making now.

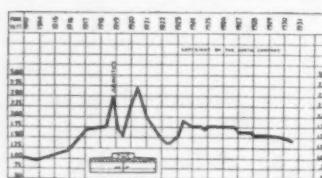
Meredith Thorpe



A typical example showing flexible straight-line production layout... plants today must be capable of operating profitably, even while running at fractional capacity.



A typical example in which straight-line production is practically impossible... a serious handicap even when operating at full capacity and when running at fractional capacity become one of the worst examples in the "white elephant" class.



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NATION'S BUSINESS



Published at Washington by the Chamber of Commerce of the United States
MERLE THORPE, Editor

As the Business World Wags

THUS WE MAY SEE, QUOTH HE,
HOW THE WORLD WAGS—*As You Like It.*

Can We Climb and not Tumble?



THE business prophets are growing cheerful. George M. Verity of the American Rolling Mill Company told a conference of business leaders in Chicago the other day that a minimum consumption now exceeds production and that this and other factors

added to the natural optimism of our people, to their known initiative, courage and resourcefulness, will in due course start commerce and industry on a new period of constructive activity which can and should exceed anything we have heretofore enjoyed.

Those are heartening words but they will bring this question to the minds of many:

If business "should exceed anything we have heretofore enjoyed" must we go on to a new inflation and perhaps a depression which should exceed anything from which we have heretofore suffered?

One of the most venerable anecdotes is that of the man who said, "I'm going to town to get drunk and gee how I dread it."

Must business go to new heights "to get drunk" no matter how much it dreads it?

Campaigns to "Buy Now"



MUCH is being made of buying movements as a spur to business. The Philadelphia Chamber of Commerce starts a "buy now" campaign and a dozen other cities ask for information. All over the country manufacturers are telling merchants and merchants are telling consumers that, if everyone will buy, the wheels of business will turn faster and faster.

Very probably it will help. There is one line in which buying would seem sensible and where buying would help. That is in raw materials. The United States Bureau of Labor Statistics publishes a chart showing prices of raw material. That line in the late summer of 1930 reached a point about as low as it did in 1921. Since then there are signs of an upturn. Copper, wool, a dozen other

things, are at points where buying either for fabrication or even storage must appeal to the manufacturer.

Rumors That Frighten Trade



AN OBSERVER of business who had been traveling in New York State came back with this account of conditions and of current states of mind:

"In a number of places I was met with this statement: 'Oh, we're doing pretty well, but in So and So (the next town) things are mighty bad, I hear.'

"When I went to So and So I was told a similar story except that the towns were reversed."

In other words the rumor market was busy. Things might be all right but just over the border or just around the corner are depression, disaster and ruin.

Human, of course, to fear the thing we can't see, but of which we hear. The roaring in the woods may not be a hungry lion but merely a wind. And a part—not all—of the current business depression is due to wind.

But Doubt Builds Savings



THE same observer gave an account of two towns which illustrated in another way the psychology of depression. They're glove towns and have been unusually

prosperous, largely because women are wearing more gloves and longer gloves. Despite the local prosperity the merchants of the towns report poorer business. Savings deposits grow apace. Again a state of mind, a fear to buy lest things unknown may happen.

For Better Trade Associations



IN ITS issue of October 12 the New York *Times* in a department called "The Merchant's Point of View," printed a sharp criticism of trade associations ending:

In the present emergency, the trade organizations might well have taken the lead in carrying out the plans devised for a crisis. For the most part they have no such plans or little else to offer. Perhaps this slump may reduce the number of these useless bodies and bring in their place organizations able to be of real service.

A challenge to the manager of every trade association in the country! A challenge which each should meet.

Surpluses Are Not New



grandfathers. But read this from E. Douglas Branch's book, "The Hunting of the Buffalo:"

In 1837 Pratte, Chouteau and Company fairly glutted the market with buffalo robes. A surplus of 23,000 robes was carried over into the season of 1838. Crooks estimated that the trading of 1838 would bring over 51,000 new robes into market; and that with 9,500 robes remaining in the hands of rival fur companies, 84,700 robes would have to be disposed of in the coming season. He attempted to make Chouteau agree that "you shall not send East of the Allegheny more than 30,000 skins of this year's collection, nor sell to anyone for exports to this quarter, but you may sell for the consumption of any part of the western country no nearer than Pittsburgh," and that Chouteau's 30,000 robes were to be divided solely among the "friends" of the American Fur Company.

Substitute in this paragraph automobiles, or wheat or woolens for buffalo robes and it would read like a current report on business conditions. The problems of 1837 are the problems of a century later.

Gardening Versus Golfing



IS NOT political and business unrest in the United States inversely as the number of home gardeners? Much business is transacted on the golf courses, but golf courses are places of competition and rivalry. The business done there is a business of mergers and trades and deals.

But the man who goes home in the late afternoon to cultivate his beans and cabbages has no thought of rivalry. There is no envy in his heart; no wish to gain an advantage over his neighbor. He has a peace that passeth all understanding and is glad to see his neighbor's garden grow.

The recent meeting of the National Gardeners Association led a business man who read of its proceedings to say that at forty he started his first home garden.

"It was a very successful garden" he said, "and I didn't have a single bulletin from the Department of Agriculture. Of course, I have had my ups and downs since that time as all home gardeners will. But I have done pretty well. And as a contribution to peace and contentment I know of nothing that equals the plucking of the luscious roasting ear in your own home grown garden."

A Loyal Friend Is Gone



champion when Charles W. Lonsdale died at his Kansas City home on November 11.

As president of the Simonds-Shields-Lonsdale Company he had been an outstanding figure in the Grain Trade. He refused Alexander Legge's offer of the managership of the Farmers' National Grain Corporation

NATION'S BUSINESS for December, 1930

because he believed that the Government's "farm relief" was radically wrong.

His services to the National Chamber were many. He came on its board as a representative of the Civic Development Department seven years ago last May, served as director for six years and had been its southwestern vice president since that date.

He gave, and gave freely, to organized business as a whole and to the betterment of his industry and his community that most precious of man's possessions—time.

Who Is to Pay for Public Works?



THE pushing of public work in order to supply more jobs may be advisable in a time of unemployment, but there are dangers in it. One danger is the stimulation anew of that old and erroneous idea that work done by the Government "doesn't cost anybody anything" or that the major expense of public works is borne by the wealthy.

The truth is that the large part of such expense is borne by those least able to pay. In 1924 the Secretary of the Treasury in a book entitled "Taxation: the People's Business," said:

The history of taxation shows that taxes which are inherently excessive are not paid. The high rates inevitably put pressure upon the taxpayer to withdraw his capital from productive business and invest it in tax exempt securities or to find other lawful methods of avoiding the realization of taxable income.

At the time the Secretary wrote this he had in mind the burden of high taxation imposed by high surtaxes. But what he said will apply to any tax rate that is too high no matter in what way it may be achieved.

Foolproof Speculation



A PROPOSAL has been made that stock collateral loans should be guaranteed for a specified period by the broker who purchases the stock and negotiates the loan. This will divide the risk between the innocent investor and the sophisticated and skillful broker. It is upon the latter's advice and presumably in accordance with his judgment that the investor places his stake. Furthermore the broker, being in theory a man of means is better able to stand losses than his poorer clients. In view of this, "It is a grim joke that the broker then asks him to sign an agreement to take the principal risk on stocks about which the buyer can know little or nothing. The public is supposed to insure or underwrite the broker's opinion."

The idea has possibilities. Not only should brokers be compelled to take care of the little lambs who trustingly confide their funds to them but some scheme of compensation insurance should be worked out whereby the state could collect from those who win in order to mitigate the shock to those who lose.

"Innocent investors" could forget about the stock market and go to work. Speculation would be purified and anesthetized. Furthermore the principle of speculative insurance and compensation could discover many other fields of usefulness. The book-maker at the race

track knows much more about the horses than the bettor. Why not protect the latter?

But He Knew His Ice Water



(BUSY Business Man to Waitress) : Oh, you wish to know what kind of cereal I want for breakfast? Well, now I wouldn't know a thing about that. You get my secretary on the phone. He has all those cereal facts in hand. He'll tell you in a minute whether I want oatmeal or flakes. Oh, do I want eggs? Well that's just one of the details you know to which I don't give personal attention. You call Miss Jones in my office. She'll look through the files and tell you in a minute whether I want eggs for breakfast. Miss Jones has been with me now fifteen years and she has all the egg facts at her fingers' ends. Oh, about the coffee? Well now that comes in Mr. Smith's department. I think it's coffee I want but maybe not. Better give Mr. Smith a ring and make sure. You see I am a firm believer in institutional management. I never give any attention to details. Now you might bring me a glass of ice water while this information is being gathered.

Have We Enough Gold?



THE mere prospect at such a time as this that a scarcity may develop in some line is encouraging. In this case our soothsayers refuse to take such a sanguine view of the situation, for the report of the gold committee of the League of Nations has again become the signal for wide-spread alarm. This committee seems to hold that the world is definitely on the road toward an acute gold shortage which will cause a constriction of central bank credit and currency and then, necessarily, a decline in prices. It speaks of four to eight years as the period in which this scarcity will develop.

The report under the aegis of the League of Nations is merely the re-affirmation of views previously and repeatedly expressed. No informed student entertains any doubts of the attitude of Sir Henry Strakosch of England or Gustav Cassel of Sweden. So thoroughly did the French, who do not agree with these authorities, understand this that they refused to send any delegates to Geneva.

The statement of the gold committee is founded upon certain premises developed by Cassel of Sweden and Kitchen of England. The first of these is that the present gold supply of the world contains little or no margin for expansion. Growth of currency and credit must be based upon new supplies. The second premise is based upon the rate of growth of our gold stock in the past, during periods which began and ended at the same general price level. The earlier periods used, prior to 1884, showed a rate of growth of approximately 3.2 per cent annually. The later periods from 1885 to the outbreak of the war showed an annual compound rate of 2.40 per cent. These gold authorities have lumped the two sets of periods together, added .2 per cent for loss and concluded that we will require an annual addition of 3 per cent to our gold stock to enjoy stable prices.

Budgeting Against Depression



COMES a public ailment and with it come innumerable plans for its remedy. Here is one a visitor advances and calls practical, for the elimination of depressions.

When people underspend, we have business depression; when people overspend, we have business boom. Then to avoid booms and depressions, individuals must make a personal budget showing just what they could and should spend over a term of years—what is now called a business cycle. If the individuals abide by their budget in times of prosperity by not overspending, they will not have to curtail their expenditures later. Thus at the same time they prevent booms and depressions.

The majority of individuals will say that they do not care to bother with a budget, no matter how simple. They can avoid it for a month, a year, or perhaps longer; but sooner or later, if they are honest in paying their debts, they must make income and outgo balance. That is essentially a budget. It is only one step farther to set aside a part of one's earnings when he is earning more than normal so that he can spend the same amount when he is making less than normal.

If income is carefully estimated for a period of years and divided into years either equal or increasing in the same ratio, and the budget of expenditures outlined accordingly, where are the ups and downs of business?

And if the budget is further divided into twelve parts and adhered to fairly closely, would not even seasonal fluctuations be eliminated to a large extent?

Our Standard of Living



OUR American standard of living has been involved in a good deal of discussion of late. Some have argued that it is too high, that we must retrench. Others, President

Hoover among them, call not only for no lowering, but for a constantly rising standard.

But just what is a "standard of living"? Webster's definition, it seems, not only defines but also supplies its own commentary on the present discussion. The definition:

An irreducible minimum of economic goods and services which a given community or a given class in the community insists on having and in default of which it will steal or die.

World-Wide Depression



BUSINESS has learned somewhat slowly and perhaps painfully that the depression through which we are passing—or if one is optimistic, have passed—was not an incident of a declining stock market but a world-wide condition.

Secretary Mellon has called it "a business and industrial depression . . . world-wide in extent . . . not caused by speculation in stocks though that was a factor. Its underlying causes . . . may be traced primarily to overproduction of certain commodities, especially raw materials in this country and abroad."

Turn over this page and look at the photo-cartoon in which the artist has given you a quick picture of what has happened. Then go on with Julius H. Barnes' clear setting forth of conditions and his suggestions of the road to better times.



When the Blighting Hand of Government Hits Business

Government policies with coffee in Brazil, rubber in Britain, sugar in Cuba, silk in Japan, sulphur in Italy and nitrates in Chile have built up huge surpluses in those commodities and forced prices down. These low prices, reducing buying power and stifling business initiative are largely responsible for today's world-wide depression

Government and Politics must learn that business conviction is to be respected in policies affecting the industrial structure



The Road to Better Times

By JULIUS H. BARNES

Chairman of the Board, U. S. Chamber of Commerce

PHOTO-CARTOONS BY WILLIAM M. RITTASE

THE business depression has passed its twelfth month. Today all industry is asking, "How can we get our feet on the road to better times?"

Before that question finds an answer we must pause to look into the past.

Last fall, America faced the sudden dislocation of its great industrial and financial machine. Immediately, public attention was focused upon the stock-market phase of the question.

In the meantime, while newspapers were printing market history, while ticker reports were running hours behind, while American business was preparing itself to meet the destructive psychology so unfortunately brewed by all this, a new force came quietly and slowly into the picture. That force was the unexpected drop in commodity prices.

A commodity, in the commercial sense, may be defined as anything movable that can be bought and sold. The chief commodities—the critical commodities, let us say—are such things as cotton and sugar, coffee and wheat and sulphur, lumber and silver; things which we eat and wear and use, day in and day out. They are the basic commodities of business.

Last December, commodity prices were found to be not

inflated; lower, in fact, than the dangerously inflated levels of 1921. But slowly, month by month, this new force developed and made itself felt. Slowly, commodity prices throughout the world dropped until today some of them are as much as 50 per cent lower than a year ago.

Such a downward trend in price levels undermines the buying power of whole peoples, tends to bring about a temporary paralysis of the entire business structure. Every phase of business endeavor, from manufacture to distribution, has to own inventories, stock on hand, and, if the trend in falling

★ IN SEEKING the road to better times industry is hampered by confusion as to the causes of the crash, the regions affected, the pitfalls that threaten recurrence and the assets that may be saved out of the collapse. In this article Mr. Barnes analyzes causes, weighs values and gives the clue to the way out of the depression

prices is general enough and continues long enough, it undermines credit, stifles initiative and drains enterprise in the conduct of business.

That, apparently, is what has taken place in the last 12 months throughout the world.

Now, let us go back still another step. It is said that this fall in commodity prices was inevitable because burdensome surpluses had been created in so many lines. This is true, despite the fact that we have successfully faced similar burdensome surpluses before—but they have always been in single lines or single groups of commodities. Never before have there fallen upon the world at one evil-starred moment the surpluses of so many of the basic materials of industry.

When governments start trading

WHEN we look for the reason as to why these surpluses culminated at a given time we find that our analysis pronounces judgment against certain government policies.

These policies, however helpful they were meant to be in their beginnings, carried with them and within them the seed of their own destruction. Toward them must be pointed one finger, at least, of blame for the present situation. It is these policies that must be caught and curbed before we find ourselves on the permanent road to better times.

Business men instinctively—by reason of observation and experience—oppose the entrance of Government into the economic field. They know that national treasuries and political authority may postpone but cannot entirely deflect the workings of economic law. They have learned that the only safe equalizer of supply and demand, the only prevention against cumulative destructive surpluses, is the control of price through free play made effective through trade.

It is useful, therefore—and it is also fair—to study without prejudice and to state without exaggeration the manifest evils of certain government acts; to declare their responsibility in the present undermined welfare of all peoples.

Such an impartial study of the surpluses depressing the world today indicates the evilly timed culmination of such government-created evils.

For example, there is the long story of Brazil's official efforts to affect coffee marketing prices. As far back as 1902, the state of São Paulo attempted to discourage planting of new areas by a prohibitive tax. In 1905, the State Government made its first purchases under a valorization scheme. In 1908, the State pledged its credit to borrow 75 million dollars in support of this valorization. Two more similar plans followed in 1917 and 1920.

In 1921, the Federal Government of Brazil joined in. In 1922, a permanent Institute for the Defense of Coffee was established. In 1924, the Federal Government withdrew and the state of São Paulo purchased the federal warehouses and took over all obligations. In 1927, São Paulo with three other Brazilian states entered into a defense arrangement.

Throughout this long period of price influence by government resources and government authority were periods when success seemed likely. But, through all this time, the forces of final disintegration were at work!

The resentment of the world's millions of consumers; the resistance of other governments entrusted with the defense of the free opportunity of their own people; the errors of judgment by which price levels, temporarily maintained, stimulated competitive production without the corrective of free play. All these forces culminated finally in the debacle of last year, which has contributed not a little to the general collapse of world commodity prices, to the resultant distress of all peoples.

Let us look, for a moment, at the price record of coffee during this period. In 1890, standard Rio coffee averaged 18 cents a pound in New York. In 1902, it had fallen to about six cents. Through the next few years, prices ranged from seven to 18 cents. The recession of 1921 brought coffee to an average of around seven cents a pound. But, by 1925, under stimulated control, the price reached 20 cents. The average of a year ago was 16 cents. Today, the dikes broken by stimulated competition, the price has fallen to less than seven cents a pound!

There could be no more striking example—were it not for the so similar stories of rubber in Britain, silk and camphor in Japan, sugar in Cuba, nitrates in Chile, currants in Greece and sulphur in Italy!

Thus, there culminated this year destructive surpluses created and stimulated by years of government injection. And we have, yet to be written, the new stories of wheat and cotton. These stories are still too new to permit the drawing of definite conclusions. But we can, from evidence even now at hand, express a conviction that the forces of economic law, which may appear temporarily elastic, will again break under the strain.

And, as if it were not enough to destroy the buying power of people and stifle the initiative of trade agencies throughout the world, we have before us the fatal mistake of treating silver as a commodity. This metal has been for centuries the generally accepted standard of value and measure of wealth for half the peoples of the world. Private hordes have been the incentive to thrift among those unaccustomed to modern methods of savings and investments.

Manifestly, the psychology of innumerable humans attaching to silver should be touched with great restraint. Obviously, a shift to single standard should be made with great care through a period of studied readjustment in which the highest business capacity and experience should be enlisted.

A commodity price on silver showing a range within a few years from \$1.40 an ounce to 35 cents inevitably must contribute a great measure of disorganization to the processes of trade, a great harm to the business structure of the world. It seems reasonable to believe that this period of readjustment could have been more intelligently cushioned.

A lesson from all this is that something fundamental in human nature has been violated. The average man will take his losses, will pay the prices which errors on judgment in the free play of forces in the world of trade inflict upon him, but he will resent and resist the imposition upon him of prices named by the influence of governments and of national treasuries.

Destructive reprisals

THIS has been going on until today we have the world embarked upon a campaign of reprisal, resentment and antagonism which is destructive in itself.

For example, we have in the United States and Canada a distress price of 70 cents on wheat. While, behind constantly advancing tariffs, the price in the importing countries of Germany, France and Italy ranges from \$1.60 to \$1.75. Behind that price, they have destroyed the incentive for economical production at home and have inflicted distress upon the productive areas of the new hemisphere with no good to either side and injury to both.

As long as this tariff war—which is now common to the world—continues, so long will we have distress, unsettlement and disorder.

We of America have little right to question policies of our neighbors endeavoring to frame tariffs of exclusion for the

express purpose of stimulating the developing infant industries at home. America's history, from the day that Alexander Hamilton favored this national policy for the new American Republic, justifies at certain stages in national growth and under certain restraints of reason and common sense, a protective policy of that kind. In this country we have passed that stage, at least as a general condition.

We can only wish that other countries whose esteem and friendship we greatly desire and need may understand the difference between the crystallized conviction of American business and the interpretation which may appear to be a national policy after it has passed through political and parliamentary channels.

The flexibility feature of our protective tariff is a means by which the law may be quickly adjusted to meet exaggerations and unfairness and changed conditions. That principle, generally accepted in America by business opinion, is that American protective schedules should represent only the difference between national wage scales and production costs, should equalize the opportunity of our own industries and our overseas competitors in our own markets.

Difficult as this principle is to apply, it is one accepted in good faith by business opinion. Moreover, under a President committed to that measure of equalization and because of the President's insistence for it upon a Congress which did not realize its necessity as a practical device and also as a symbol of fair play before the world, the flexibility feature will be administered by a board of promise.

Higher world standards

AMERICAN business does not desire exclusion in its home markets. Neither can it see its home industries prostrated entirely by the uncontrolled access of cheap labor competition. It will view without concern the presence and competition of both home products and foreign imports across a tariff protection which only protects our admittedly higher scales and standards. This principle, followed to its ultimate conclusion, would mean that when wage scales and living standards of other countries approach America's own, American industry would desire no protection except superior initiative, resourcefulness and invention.

America's good faith in this is shown in that it is the only country whose tariff act has set up a court of determination to apply this principle. Surely against specific schedules—that may be unnecessary or unfair—we can have the patience of the world while America, step by step, effectuates a principle which of itself is admittedly fair.

Somewhere, sometime, some place and through some leadership, we must get back to fundamental principles—to the realization that the welfare of all peoples rises in proportion to the trade flow at home and throughout the world. Every unnecessary obstacle to the

growth of that trade is a social injury that will be universally resented. Where, then, is the bright spot in this picture of black discouragement? Where, then, is the trail in all this wilderness that leads to better times?

Our life is more complex

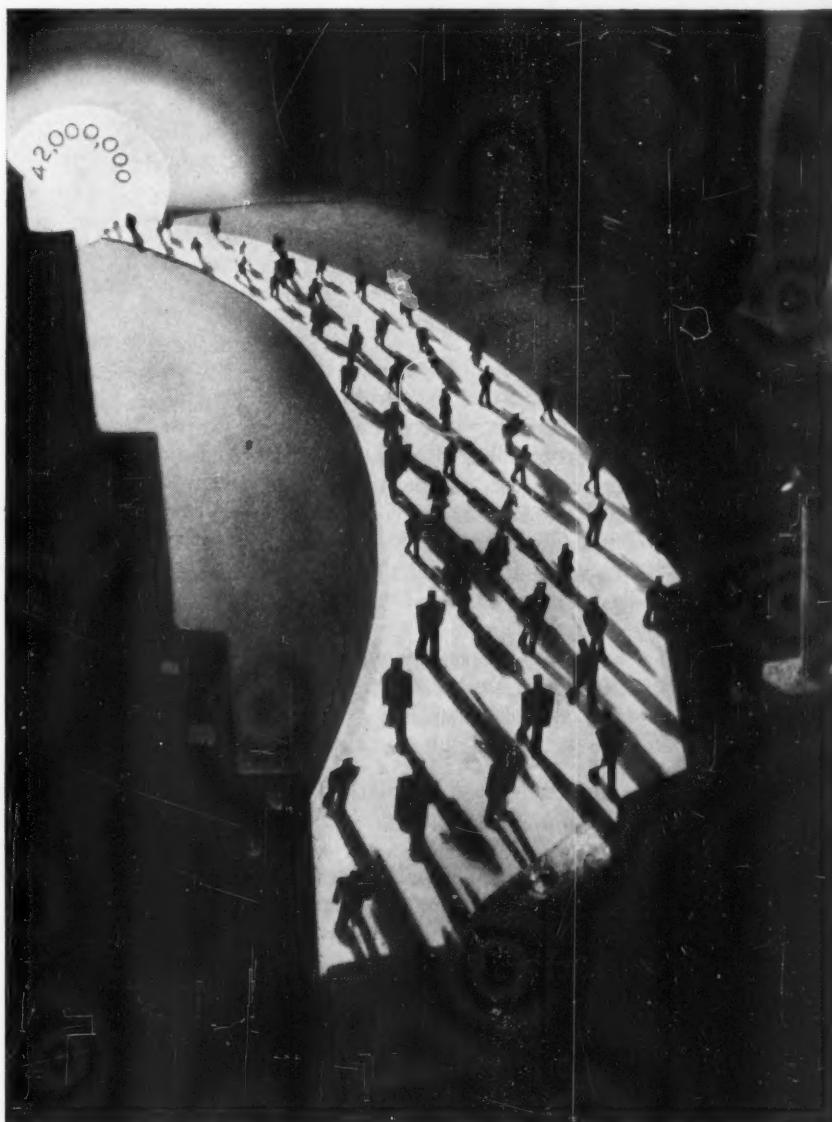
BRIEFLY, it is here:

Living, in America, is no longer solely the simple requirements of food, clothing and shelter. In America and many other lands, it has assumed that complex and intricate character typified by the telephone, the automobile and the radio. Yet, despite such advancement in living standards, there never has been in history such a contrast in the same world and the same day.

A single flight of an airplane today separates living standards that are 20 centuries apart. Millions of peoples are living according to the standards of 20 centuries ago.

America's farms, with the modern harvester combine, are in the same world with the wooden plow. America's modern turbines disseminate the energy of modern industry in the same world with the wooden wheels of the Far East. America's

(Continued on page 110)



Although we have three or four million out of work, we have, in America today, 42 million employed as against 31 million in 1921

SINCE LAST WE MET ★

OCTOBER

- 10 • STOCKS rise briskly with sales of more than six million shares, third largest of the year.
- 12 • STEEL ingot production for August shows a 2 per cent drop from July. Predictions now are for a 41,000,000 ton year as against 55,000,000 in 1929 and 50,000,000 in 1928.
- 13 • WORLD supply of sugar reaches the record figure of 10,120,000 long tons on August 31.
- 14 • SEPTEMBER showed a slight gain in employment over August, Bureau of Labor Statistics says.
- 15 • COMMITTEE of New York business men seek to raise \$150,000 a week to aid those who are or have been out of work.
- 16 • FRENCH imports and exports both dropped about \$140,000,000 in first eight months of the calendar year.
- ELECTRIC power production, reported by the National Electric Light Association, went up for the week ended October 4 at more than seasonal rate.
- PRESIDENT HOOVER names six cabinet officers and the governor of the Federal Reserve Board, a committee to devise means to relieve unemployment. In Chicago the city asks railroads to engage on \$14,000,000 in delayed crossing contracts for the same purpose. New York's Board of Estimate increases its budget for the same purpose.
- 17 • STOCKS drop again, many below level of November 13, 1929—wheat and corn go up and cotton is steady.
- NEW YORK CITY'S savings banks jumped deposits \$22,500,000 in September, the best September since 1926.
- 19 • PHILADELPHIA Chamber of Commerce starts a "buy now" campaign and many other cities ask for information. Retail prices, lowest since 1913 are promised.
- SEPTEMBER production of automobiles was 222,931, as against 223,048 in August and 415,912 in September, 1929.
- 20 • SCHACHT, former president German

OCTOBER

- Reichsbank tells Foreign Policy Association Germany can't pay unless aided by other countries to extend her foreign trade.
- PRESIDENT HOOVER appoints Arthur Woods to direct task of finding work for unemployed this winter.
- 21 • UNITED STATES CHAMBER'S organization members vote by referendum in favor of maintaining commodity trading through exchanges.
- 22 • OF 256 members of the Association of National Advertisers, 121 plan to repeat their advertising appropriations in 1931, 60 will increase, 14 will decrease, while 61 are undecided.
- BUSINESS leaders meeting in Chicago predict a business revival on a scale never before known.
- PEQUOT Mills, Salem, Mass., puts on more men. Will employ full crew this winter.
- FEDERAL Reserve Board says factory output increased slightly in September; mine output decreased, residential building gained.
- 23 • DU PONT de Nemours & Company show a drop of \$7,000,000 in net for third quarter as against 1929. Half of drop due to decline in company's investment in General Motors.
- COPPER sells down to 9½ cents, lowest since the '90's when it sold at 9 cents.
- ANNIVERSARY of the first great break in the stock market.
- 24 • CHARLES M. SCHWAB tells the American Iron and Steel Institute that prosperity is near but warns that "price stability" and "production stability" are essential to its preservation.
- W. R. GRACE and Company plan four new ships to be built by the Federal Ship Building Company.
- 25 • BELL Telephone plant in the United States now valued at \$4,050,000,000. Assets about \$4,900,000,000, a figure unequalled in the United States.
- 26 • BUSINESS Survey Conference reports for

A Business Record October 10 to November 11

OCTOBER

first 9 months of year. Bad spots: curtailed operations in steel and automobiles and construction; good spots: easy credits, better marketing of securities for construction and a tendency towards stabilization of commodity prices.

27 • INCOME tax collections for first nine months off \$150,000,000 from last year.

28 • SHIPPING Board says 20,000 men will be employed and \$50,000,000 spent on new ships in the next 12 months. Government will lend \$15,000,000 under Jones-White Act.

NET earnings of 70 railroads for September totalled \$91,600,000, a decrease of 16.2 per cent from September 1929 and of 16.1 per cent from September 1928. Gained 10 per cent over August of this year.

UNITED States Steel net earnings for third quarter 1930 were \$38,000,000, lowest since fourth quarter of 1927. Total for nine months this year \$8.44 a share against \$15.82 last year.

29 • CARRIER Engineering, Brunswick-Kroeschell, and York Heating and Ventilating are merging. Three largest companies in the air conditioning and ventilating industry. Counting subsidiaries fifteen companies are joined.

BANK of United States, Manufacturers Trust, Public National and International Trust, all of New York City, to merge. Would be fourth biggest bank in city. Assets about a billion. The four now have 148 branches.

AMERICAN Federation of Labor says 21 per cent of Union members were unemployed in October as against 11 per cent in October, 1929. Little change from September, 1930.

PRESIDENT FARRELL of United States Steel swells the Optimists Chorus by telling the Institute of Steel Construction of "the inevitable return of a period when demand will again overtake supply."

30 • EASTERN blast furnaces ask Tariff Commission to raise rate on pig iron one half.

NOVEMBER

1 • DR. DAVID FRIDAY tells the Chicago Forum that the end of the depression will come this winter but that it will be a long time before we reach former high levels.

3 • BROKERS' loans down to \$2,556,000,000 on October 31 lowest figure since the Stock Exchange first gave out monthly records in February, 1926.

NEW YORK TIMES reports that 240 stocks listed on the New York Exchange showed a loss of \$2,600,000,000 in values from September. Third consecutive month of loss, July having shown a gain.

4 • BRADSTREET'S reports 1,943 failures for October, an increase of 10.2 per cent over September and of 25.8 per cent over October 1929.

CARLOADINGS for week ended October 25 were 959,335, a gain over the previous week of 28,250; a loss from the corresponding week of 1929 of 175,025.

EXPORTS of industrial machinery so far in 1930 have exceeded any year since 1921 bar only 1929.

5 • PUBLIC financing estimated at \$1,100,000,000 less for first ten months of 1930 than for first ten months of 1929.

6 • CUNARD, White Star, Anchor, Red Star, Canadian Pacific and Atlantic Transport form Atlantic pool. To cut out much competition and limit sailings. Object—to offset North German Lloyd-Hamburg American agreement.

7 • DEMOCRATIC leaders pledge aid to Administration to help business. Will not undertake any general tariff revision.

RADIO Corporation shows deficit of \$3,000,000, after preferred dividends for first nine months of 1930, as against a \$14,000,000 profit for same period of 1929.

10 • REPUBLICANS accept pledge of Democrats to cooperate with President Hoover.

11 • COSDEN Oil Company, a \$5,000,000 corporation organized by Joshua S. Cosden, an outstanding figure in the oil industry, placed in hands of receivers.

We Can't Raise Plums by

By Labert St. Clair

CARTOONS BY CARD



Although Coal Creek was out of its banks and it was midnight they took Lance down to the stream and prepared to baptize him

THE crying needs of this country seem never ending. We no more than get one grave need adjusted and running on all eight cylinders than another, and often graver one, arises.

For many years we were a united nation on the theory, as expressed by the late Tom Marshall, that what we really needed was a good five-cent cigar. Then along came hard times, progressive cigar manufacturers and some clever advertising salesmen and that situation was cleaned up. Now we not only have excellent five-cent cigars, but they are publicized so well that Marshall's once seemingly imperishable remark is being forgotten.

However, a much graver situation now confronts us and to it I propose to address a few words of serious discussion.

What this country really needs is a national crusade against tree-sitting.

Do not turn away in disgust, Old Subscriber, nor cast this compendium

of sage business thought from you on the ground that it is permitting indulgence in frivolous remarks when funeral drums are beating for industry. You probably are of the opinion that tree-sitting is confined to a few small boys. Also that truant officers, cool nights and stern parents will take care of the situation. If you share in this common view, you are deep in error. Tree-sitting is today, and has been for a year or more, our outstanding business affliction. Cure it and prosperity again will smile upon us.

Waiting for good times

I AM referring to the business tree-sitter who is perched in the forks waiting for nature or someone, preferably President Hoover, to produce a bounteous crop for him.

He is not just the business man from the store, shop, factory or financial institution. He is from almost every walk of life. Most of us do not place him

because we, too, are tree-sitting with such might and main that we cannot see the other sitters for the leaves of pessimism. Or, if we do see them, we are much inclined to regard them as wise because they are following our example.

During the last six months I have had a particularly good opportunity to browse among the sitters. Four times I have zig-zagged across the United States between the Atlantic and the Pacific oceans. As an ex-reporter and corner store savant, I have talked with hundreds of persons in different communities engaged in varied activities. They have included farmers, small-town business men, teachers, canvassers, politicians, day laborers, bankers, captains of industry, editors, unemployed and whatnot.

My inquiries convinced me that, not only is there a lot of sitting going on now, but it has been common practice for a dozen years. Even when the country was enjoying tremendous prosperity after the war, when sales were the largest, a great many persons were sitting who were not aware of the fact. By that I mean that they were moving goods in large quantities because of the natural momentum of commerce, and thought they were selling. Actually, they were just filling orders. Now, when economic winds are blowing adversely, they wonder what is wrong.

The sitting became more confirmed

Tree-Sitting



OF COURSE this article does not refer to you but you will know business men in your community to whom it does refer. Perhaps you may want to call their attention to it, in a nice way. But that won't do any good. The offenders against whom this criticism is levelled won't believe that it means them either



and widespread with the advent of the Hoover administration. The warning winds of adversity which began to stir in the closing days of the Coolidge administration caused no concern among sitters. Hoover, superman, they thought, would take care of everything with a broad farm relief, world peace and tariff program.

All to have a handout

HOOVER, instead of being regarded as a great engineer who would chart plans for others to follow, was mistaken for The Man with the Hoe. He was to do all the work. After he had done it, and the crops had ripened, the sitters were going to come down and enjoy the proceeds.

The attitude of the country toward the farm relief program was typical. In the first place, more bunk has been spread about this legislation, the need for it and its probable benefits than anything which has been put on the statute books in years.

Most of the noise in rural sections about the farm relief bill came from tree-sitting agriculturists. I know farmers, having been raised among them and still having contact with them, and I know that the one who makes the most noise about government relief usually is the one who needs it least. Frequently he is a grain farmer whose total annual activities in the fields embrace less than a month. The rest of the time he usually devotes to tree-sitting and cussing the Government.

The farmer who has paid little atten-

tion to government relief, who doesn't want it or doesn't believe in its efficacy is the busy one. The man, for instance, who has half a dozen cows to milk, a garden to tend, poultry to feed and a thousand odd jobs to do. In many cases he used to be a grain farmer, and maybe a sitter in the Populist tree, but he crawled down and went to work at something profitable. Hence, he has no time to jaw the Government.

Now that the farm relief legislation has been in active operation for several months, a large number of rural tree-sitters who have just continued to sit are wagging their heads wisely and saying they knew things would turn out badly. They never think, apparently, that 531 farmers making hay probably would have brought more relief to the country than 531 Congressmen making laws.

A flock of business owls took to the trees in connection with the tariff. Passage of that measure, too, was going to fix things. Convinced of that, plenty of business men and politicians sat back and waited. Well, the bill has been passed quite a spell now, and it has not exactly solved all of the country's economic problems.

The same situation obtains in the international relations field. Plenty of folks have been convinced that the cost of war was at the bottom of all economic troubles. Perhaps there is much in that. But there never was any reason for believing that adoption of the Kellogg treaty was going to have any great effect on commodity prices. Yet

The business tree-sitter is waiting for someone to raise a crop for him

there were those who believed that it would and took to the trees on that excuse.

Tree-sitting in its most advanced stage is to be found in the small towns. There almost everyone is wondering what on earth is going to become of the hamlets, and doing mighty little about it.

The fate of the storekeepers

THIS is especially true with small-town storekeepers. Most of them have been reduced to panic by chain-store competition. Few of them have fought back. Instead, most of them have scampered up into the higher branches seeking safety. The rare and scattered attempts at retaliation have been pitiful. They usually take the form of radio or newspaper ad attack. "Trade at home," is the standard rallying cry. It seldom rallies.

Independent grocers have come nearer meeting the situation squarely than any other group. They have fought back on a sound merchandising basis.

A small merchant friend of mine tried, futilely by the way, to interest the food dealers in his town to pool their buying and selling for the common good. He even went so far as to get a warehouse for their use and showed them how they could undersell every chain store by following his plan. He could

not get the merchants together, and, since he first proposed the idea, several of them have passed out because of competition.

More salesmen needed

ON every hand one reads and hears a great deal about speeding up buying, but few seem to have any new ideas on how to do it. I did read a suggestion somewhere that everyone should spend 50 cents more a day. That might be all right, but few are going to spend unless they have someone to ask them to do it. Salesmen who are not tired are needed.

Retail merchants are not showing many new ideas. They have become so obsessed in recent years with the bargain sale idea that they are still trying it in the present situation. Side street salesmanship certainly has moved out on the avenue.

Every successful salesman I ever have known has done more business in slack time by calling on more persons than before. This is getting away from tree-sitting in a decided way.

William Wrigley, the chewing gum king, who is a master salesman, learned this lesson early in life when he was selling soap from a basket on a Philadelphia street. He used to keep moving in and out of the crowd. Often he would try to sell the same person a dozen or more times in the course of a short walk. He says that later in life he learned that he was exercising the chief fundamental of salesmanship, that of keeping at selling.

During the Liberty Loan campaigns, the United States Treasury Department learned the same lesson. Initially, the Treasury sought to sell the Loans to a few large buyers on the grounds of patriotism. Finally, some wise old business man advised officials in charge of the Loans that customers never would come to them and they had better get busy with individual buyers.

So the Treasury officials came down out of the trees. They induced local sales organizations to sell intensively right down to the individual. They went after Bill Smith, who never had owned a bond in his life and sold him a \$50 bond. When the war ended, about 24 million Bill Smiths had securities.

Unless I am greatly mistaken, the

early loan situation obtains in business today and may be cured by the same methods.

Too many persons, chiefly salesmen, are waiting for a few wealthy men, or financial institutions, to restore prosperity by making a bold and striking move. They want them to buy up the grain, motor car, chewing tobacco, or Canton flannel nightgown supply and thus start business clicking again.

That, distinctly, is not the way out.

Tree-sitters must come down, grab hoes and make one sales blade grow where none grows now.

For some unknown reason, most firms hesitate to change their methods of business. New situations may disturb them and they will call many conferences on the subject of attacking current problems in a new way, but little change results. In this they remind me of Lance Whitaker, a town blacksmith of Veedersburg, Ind., my old home. He was in the market for a church member-

so they adopted stringent resolutions regarding him. They decreed that the next time he appeared at the mourners' bench, in any church, they would baptize him regardless of the hour, day or night.

About a month later, in the third week of the Red Brick church revival, Lance showed up at the mourners' bench, penitent as all get out. When the elders told him of their decision to baptize at once, he was agreed, and, although a heavy rain was falling, Coal Creek was out of its banks and it was midnight, they took him down to the stream and prepared to baptize him.

Unfortunately, Lance weighed more than 220 pounds and Elder Ab Bogg, who was to duck him, scaled only 92. So it was not surprising that, when a high wave hit the elder and Lance as he went under, Ab lost his hold and Lance disappeared downstream.

After a few hours we found Lance downstream about half a mile, perched

in a sycamore tree. He still was wet and, with a shrill northeast wind blowing, right chilly. Hence, when the elders suggested to him that he come down and submit to a second baptism, he agreed. He even went so far, when pressed, as to cast down his eating tobacco, dice, and marked cards.

A reformation

AFTER the second baptizing, Lance was a changed man. He bowed to everyone, paid up his debts and even started a savings account. One day I asked him about it.

"Lance," I said, "I don't quite understand how you suddenly became converted so thoroughly. This business of giving up all your bad habits and submitting to two baptizings perplexes me. I certainly never saw you in that frame of mind before."

"No," Lance replied, slowly, glancing around to see that none of the elders were within earshot. "No, and you never saw me up a tree like that before."

There you are. Business in the United States never before has been up a tree in quite the same manner as it is today. It must become converted to different methods of approach. Maybe such an old-fashioned thing as calling on ten prospects a day instead of eight would be a splendid and original selling plan for some of our best tree-sitters.



Often he tried to sell the same person a dozen times in the course of a short walk

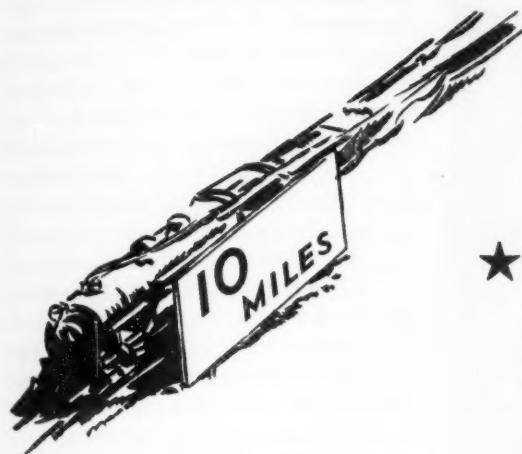
ship more or less for a long time but he never was sold until the whole approach on the subject was changed.

Lance used to get enthusiastic about religion at every revival meeting, but he never would quite sign on the dotted line. He would whoop and holler and declare in a loud voice that he had "got Glory," and race down to the mourners' bench, but, when baptizing time came, he always was absent.

This went on for at least 20 years in every church in town which held a revival meeting. Finally, the elders got tired of Lance fooling around with them

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You'd Better Study Freight Rates



By OLIVER WESSON

DECORATIONS BY SYDNEY E. FLETCHER

★ THE Interstate Commerce Commission's effort to take some of the mystery out of freight rates is going to affect your selling plans. Whether it affects them for better or for worse is going to depend largely on you and the attention you give the new situation

THE Interstate Commerce Commission, after years of preparation, has launched a nation-wide campaign to rationalize, regularize and systematize a great sector of all rail freight rates, a program which is at once a threat and an opportunity for business.

The Commission's purpose is to classify new freight schedules which aim at fixing freight charges by measured test of the costs of service. For more than a century the ultimate factor in determining freight rates has been the estimated value of the service to shippers and receivers. The new system promises a shift in the economic tide which may mean disaster to the unready business enterprise as it opens the way for leadership that attunes itself to the situation.

It is a humorous opinion common to all traffic departments that the man who really understands railroad rates will never understand anything else. He cannot, humanly speaking, be expected to have time, strength and brain cells available for other things. Most executives resign treatment of the matter to professionals and specialists who can attain lonely comprehension of the intricacies inherent to the field.

That old tale of the station agent thumbing his tremendous tomes of rates and rate rules, muttering the while, "Pigs is pigs; an' rabbits is pigs; but parrots is turtles," had something more than a slim basis in fact. Things, places, distances, all undergo queer and startling transformation when touched by the hodgepodge wand of the rate books.

Yet there is now the necessity

that major executives turn their attention to this field. No longer can rate treatment and related matters safely be left to the consideration of the small group of experts habituated to keep understanding eyes on that curious field. And, despite the complexities that obscure freight rates, the layman can understand some of the general causes impelling their intricacy.

No cost accounting

IN the early days of railroad operation, familiar principles determining price

levels of commodities demonstrated their inutility for the pioneer makers of freight rates. Market prices of goods and most services, then as now, were known to range properly around



cost of supply, but the early railroader could scarcely guess at what it cost him to transport. His modern successor, despite a century's refining of accounting methods, has to allow wide margins in such estimates.

The substitute they found for the cost guide in determining rail service charges is well known if wrongfully traduced; rates became the expression of ex-

perienced estimates as to what traffic would bear. The railroad man, in practice, ceased to inquire—if he ever began—what it cost him to render any specific service. Operating departments were hopefully adjudged capable of sweating out a profit from the business as a whole if the traffic men would get loads.

Tangled rates in railroading

THAT magnificent and necessary confidence about the prospect for the early railroad enterprises justified itself. Mostly the new-born traffic departments got loads and the associated operating forces eked out a profit from their carriage. The sections of the continent their rails linked, sprouted into cities and centers, or remained barren and empty, in very considerable measure in accordance with the sort of transport tolls they levied.

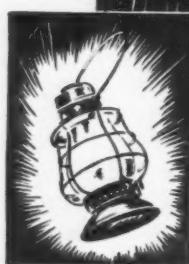
Opinion is general today that this almost accidental basing of transport charges on the ability of traffic to pay worked powerfully to enhance the electric speed of advance which American industrial civilization displayed. It had unpleasant sides, all well advertised. Incidentally, it was the fertile, forcing soil from which sprang the weirdly tangled jungle of rate schedules that now governs modern rail service.

Government regulation began many years back, but the extraordinary growths induced at the outset were too deeply rooted, too embracing of the country's industrial structure, to be brought under serious pruning. As the principle worked, to give a real example, a railroad serving a coal mine ten miles from the budding Pittsburgh steel district would make a rate to move that output to the coke ovens where furnace fuel was prepared.

Presently a railroad serving a mine 30 miles from Pittsburgh would match the ten-mile charge in its rate for the longer haul, so that the mine operator on its line might share the furnace business. Finally, there was presented the spectacle of mines 400 miles from Pittsburgh shipping to that market for exactly the same freight toll that was paid by the mine ten miles away.

The hard fact for the carrier which had to provide the extra 390 miles of coal haul was that its traffic could not bear any levy to repay the extra service.

This picture began to be duplicated and re-duplicated all over the continental map in endless diversity as carriers and producers sought to array



The railroad ceased to inquire into service cost



themselves in market centers with competitively priced goods, no matter whether their origin was nearby or far away. Further, a waterway which would threaten traffic diversion exercised—and still does—almost magic influence over the rate tables. Seaports and the possible through business they offered; the problem of roundabout line which had to meet the rates of the direct line in hauling things to terminals and recoup itself from freights delivered at intermediate points; the possibility of converting on the line of travel, which means transit rates by which wheat that starts moving as simple grain turns into flour, bran and breakfast food en route but stays on a single way-bill; and lastly, the great differences in weights and values of commodities; all these made impressions on the flexible structure of the rates.

In the old days, schedules were accustomed to shift up and down overnight. What one man paid was small criterion as to what his competitor might pay. Of course, all that has passed, for the primary object of federal regulation was to provide every citizen with equal access to the new highways which railroads represented.

In actual freight charges, as visible to the inexpert, this plethora of factors produces effects that still remain mysterious, arbitrary, and sometimes outside all rationality. It may cost a shipper as much to move an article 100 miles as it does a differently placed shipper to move the same article 500 miles. It may cost 20 per cent less to bring a ton of wheat to a seaport for export than it does to bring a like ton to the same town for local consumption. The same things may and do move over the same line and in the same direction 100 miles for less than it costs to move them 50 miles.

Contesting adjustments

REASONS are to be found for nearly every such anomaly, but comprehension of these reasons requires intimate local and industrial information, plus familiarity with trade tradition and germane railroad history. Contests are always on foot over the details of the adjustments, though what the rowing is about and what the decisions actually accomplish have alike become merely topics for the initiate and the especially interested.

During 35 years the Interstate Commerce Commission, while whittling away some of the more obvious excrescences of the structure, has ventured only tentatively to interfere with the more fundamental of its characteristics. But now the official axe drives home at the cen-

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tral root. Old rate growth must come down; new growth, which succeeds it, must conform to those familiar if abstract principles which govern price fixing in other fields. There has been long prelude to action—periods of proposal and disposal, of trial and experiment, of observation and discussion. The Commission is intent on avoiding revolutionary procedure, but the alterations it designs are revolutionary in themselves.

The series of orders which incorporate its purpose are largely restricted in their application to that portion of rail traffic which moves as class freight. The major device which sets the standard of charges is the mileage scale. It graduates freight tolls in proportion to distance, flexing intelligently to the weight of varying terminal costs, differing traffic densities, special conditions of rail operations and the value of goods shipped.

A natural rate structure

COMPLETE success in the Government's enterprise will array shippers of this character of freight on a new kind of equal footing—will make them subject to a levy for transportation which corresponds measurably to the cost of rendering the service they require. It will destroy, too, that old equality to which they were accustomed—by which their goods arrived at market on a rate corresponding to the one paid by their competitors located in other producing centers.

No responsible or competent student of the situation and the policy will attempt to state all the effects possible from the change. It is clear that economic forces set up by the thorough-going readjustment will exert some novel and unforeseeable pulls on population and industry. For cities and industries have grown in much disregard of their distance from markets, thriving by a system of transport toll which almost entirely neglected distance. Providence scattered advantageous locations for industry all over the continent. During a century railroads have engaged in a perhaps praiseworthy effort to make producers everywhere equal when they reached a buyer. The Interstate Commerce Commission now moves to restore natural inequality insofar as distance and transport operating costs express that inequality.

These new scales go on class freight, and what class freight is needs to be understood. In a broad general way, everything is classified freight which is

highly processed, rather expensive in its units, rather light per car in its loadings, and likely to move in less than carload lots. Literally, many exceptions are necessary to definition. Traffic men call anything commodity freight which does not come under a class freight paragraph; commodity freight includes all the crude, bulky, heavy materials, such as

rating. Here again, only experience will show the degree and importance of the alterations actually effected. It is probable that upon the old basis 25 per cent of the total freight traffic of the continent—by weight—took class rates. The remaining 75 per cent moved under commodity rating.

It can be guessed that the shifts to the classified category which the Commission has so far ordered will not vary these percentages much. But if the ideal of cost of service in rate making lives, more shifting of the same kind will be demanded.

Of the five or six Commission decisions which clearly embody the new principles, the first to get into operation bore upon the southern quarter of the United States. The next related to the Southwest; the two latest, most important and most crucial, push home the program for the populous

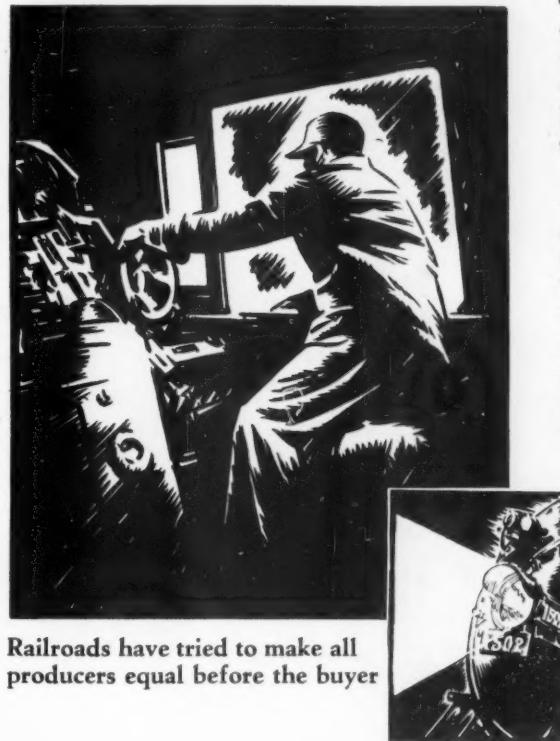
industrial East and the trunk-line territories of the West between Chicago and the Rocky Mountains. These last will come into force with the winter.

In fitting out its sectional applications of new policy, the Commission intentionally so shaped the scales as to give the carriers a chance to increase earnings. What the declining traffic volume of 1930 will make of these anticipations remains a question. Nevertheless, in the Southwest the new class rates should bring a three or four per cent advance in earnings; in the East they are intended to allow increased net income of perhaps 40 million dollars a year; and in the western trunk zone they have the possibility of adding 14 million dollars. Some or all of the increases—if these are ever attained—may be withdrawn by commodity rate adjustments in prospect.

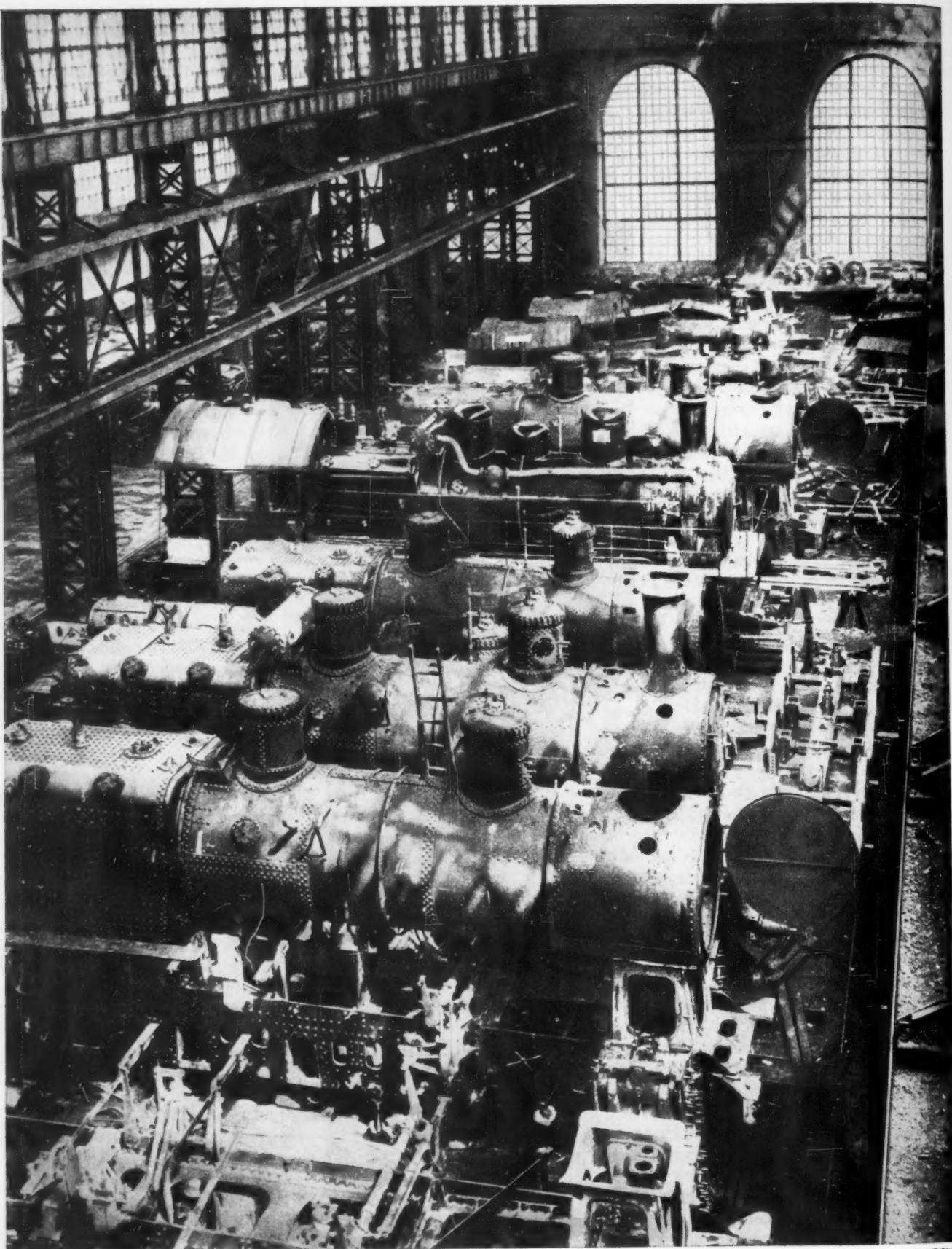
A sign of progress

"WE HAVE yet to learn what the reaction of the national business community will be to the new arrangements," comments E. I. Lewis, an Interstate Commerce Commissioner of long experience, and especially responsible for the new adjustments. "I look for final approval of the revisions, and for the establishment of general opinion that they mean progress. Of course, the in-

(Continued on page 98)



Railroads have tried to make all producers equal before the buyer



PHOTOGRAPHS FROM U. S. S. R. IN "CONSTRUCTION"

The Locomotive Assembling Section of the Kolomensky Plant

The locomotive plant is both a means and an end of Communism. For industry, they represent a forward step in the effort to span in a single generation, the economic ground lost in more than a century. And, over the increasing network of railroads, these monsters will carry the gospel of Communism to isolated villages where peasants still cling to individualism



The Soviet is making a place for self-realization

Individualism Gains in Russia

By BURTON K. WHEELER

U. S. Senator from Montana

★ SEVEN years ago Senator Wheeler visited Russia and found individualism incompatible with the doctrine of Communism as then enforced. Today he finds Moscow offering individual reward for individual effort. He explains here how the Soviet was forced to this concession and how it granted it without upsetting its basic theory

HERE is apparent in Russia today a pronounced trend toward development of individual initiative and enterprise, and a serious attempt by the Government at Moscow to harness the inborn human instinct for self-improvement, in the work of bringing the country to economic parity with other world powers. This tendency, manifested in a score of developing customs and attitudes, as well as in two of the Government's major policies, struck me during my recent visit as perhaps the most significant thing happening today in that vast land of mystery and paradoxes.

I do not mean to give the impression that Russia has suddenly renounced the rigid doctrine of Communism. History seldom develops that way. What impressed me, rather, was a series of isolated experiences, both in the great cities and the tiny, remote villages, which seemed to me to be straws in the wind. They combine, I believe, to indicate that Russia is headed slowly away from the original conceptions of her revolutionary doctrines toward a modified form of state capitalism, a system in which private enterprise shall have

an important part, and in which individual initiative shall be restored as a stimulus to economic activity.

It would be strange, indeed, if nothing had changed about the Russian official program in the 13 years since the revolution. The ideas and aspirations of nations are modified by experience just as are those of individuals. Our own country experienced this same pressure of new knowledge in the three decades after the Constitution was adopted. The stresses and strains of American politics through the end of Jefferson's administrations reflected the same processes of evolution which have been at work in Russia since 1917. These forces have been particularly marked as factors influencing the entire national program during the last five years.

White collars come back

IN THE streets of Moscow this summer I was impressed by the number of white collars. Seven years ago, I recall, a

white collar was a class symbol upon which all patriotic Communists heaped opprobrium. A white collar marked a man who did not labor with his hands and those who did not so labor had no fixed place in the political or economic scheme of things.

Today, beneath many of those white collars one sees ties of Broadway hues, the first feeble beginnings of individuality in personal attire.

My reading since my visit in 1923 had given me the idea that stark economic efficiency was the only arbiter of style in Russia. I was unconsciously expecting, therefore, to see only the simplest ties of black and white, long,

narrow strings which could be produced in million lots by gigantic machines. That was the cheapest tie for the United States Army. Why not do the same thing for an entire nation?

But academic theorizing which leaves out the factors of individual preference, taste and the universal urge for a degree of personal expression in clothing appears not to apply to everyday life, even in Communist Russia.

Jewelry and rouge are seen

SIMILARLY, the women of Moscow are beginning to buy an occasional piece of jewelry. A system of feminine styles already is well formed in the larger cities. Even a dash of foreign rouge is seen here and there among the cotton-clad women of Moscow. I caught myself marveling as I wandered through the dusty, congested streets of the capital that the innate human instinct which sends Miss America forth on Park Avenue in the finest the land affords produces also this pathetic evidence of

industrial workers. The first major alteration of policy was called out as a solution to this threatening problem. Instead of pooling the surplus under an arbitrary plan, the Government began buying whatever the peasants offered for sale. This great departure from the original Communist program, first applied in 1923, marked the beginning of a tendency toward some general economic order which sought to place individual rewards in some relation to individual efforts.

But, because of the old system of land ownership under which large tracts were farmed by tenant workers, the incentive to greater production under the government buying program did not reach down to the actual tillers of the soil. The Government turned next to the collective system of large-scale farming.

Once again the Moscow program ran counter to the individual instincts of the masses of the Russian peasants. In its original form, the collective was a great project into which were swept all the peasants of a given area. No matter

whether a man had two cows or ten, all went into the collective. At the end of the crop year the distribution was made, not according to the number of cows, chickens or horses a man had put in, but according to the amount of labor contributed by the individual.

As knowledge of this system percolated through the villages yet to be collectivized, the peasants began to kill their surplus stock. So great was the shrinkage in stock population that farm slaughtering was at length summarily forbidden. Then followed an era of meat "bootlegging" throughout the villages, with which the Government ultimately was unable to cope. Finally, in March of this year, Moscow formally announced abandonment of the policy of forcing peasants into the collectives.

A policy of persuasion

IT IS worthy of note that the government officials claim they never intended to force participation in the collectives. That impression gained headway, they

charge, because of the propaganda of the large land owners in the villages who sought thus to alienate the peasants from the government program. However that may be, the new policy in regard to the collectives is one of persuasion.

An interesting reaction to the announcement of the abandonment of the policy of force was reported to me by an American engineer in Moscow. Many peasants who had contributed more than the average



White collars, once a hated class symbol are now common in Russia

the beginnings of human self-realization among women to whom silks, furs, and velvets are yet things undreamed.

So it was, too, with Russian agriculture; the Communist economic program at the outset required that every peasant should give to the Government for the national food pool every ounce of agricultural production above what was necessary to sustain his establishment until the next harvest. In two years it was acknowledged that, under this arrangement, the peasants would produce no surplus. As a result, the Government could not commandeer sufficient food to sustain the army and the in-



The advantages of machine plowing and harvesting are stressed in the effort to win farmers to membership in collectives

number of cattle or sheep to the pools, proceeded immediately to assemble their former holdings and drive them away.

Prominent among the persuasive measures which now advocate participation in the collectives is that great American institution, the talkie. Government films are sent from village to village for free exhibition. When the first fearful shock of the unseen voice is worn away, the films are popular. They depict a complete growing season under the manual farming methods, followed by flashes showing huge 30-plough tractors trundling over the land while villagers stand about in cheering knots. The climax of the film, which I viewed in Moscow, comes when the farmers of the first "set" throw their sickles and flails high into the air and hasten to pledge allegiance to the collective. But this performance, let me emphasize, I saw only on the screen.

Collectives grow

OFFICIALS in Moscow said, however, that the new persuasive program is working out satisfactorily. Whereas only nine-tenths of one per cent of the total Russian wheat crop was produced by the collectives in 1927, government estimates place this year's share at 40 per cent of the harvest. But it is important to note that the new appeal is directed not to the group, but to the individual's desire to improve his condition. The government propaganda does not appeal to him on the basis that collective farming is more efficient and better, therefore, for Russia as a whole.

The appeal is to his own personal welfare, and various legal provisions have been made to bring this about. The tax rate on the collectivist, for example, is only about one-third of what it is on the individual.

Members of the collectives also have an economic advantage in that they may have seed loans on a basis which few individual peasants can meet. Similarly, they gain the advantage of machine ploughing and harvesting, expert advice on crops and soil, bureaucratic aid in the problems of management and the principles of mass production. Finally they are almost entirely relieved of the problem of marketing. Regardless of what one may think of this program, it is important to note that in every case the appeal is to the individual, an



The Soviet's appeal to the worker is greater comfort for his family



In remote villages the peasants are indifferent to Moscow as long as they are undisturbed

appeal which promises him more for himself and his family. It is, frankly, an appeal to the deep-rooted human instinct for individual improvement. It is this natural incentive which is taking the peasants into the collectives today.

In the same manner, the Government has altered its attitude toward the accumulation of private funds by citizens. Whereas seven years ago, the garnering of any private surplus was frowned upon by every government agency and, as a result, by the popular social attitude, the Moscow program today actually encourages saving. The Government itself pays eight per cent interest on personal funds. The worker and peasant, furthermore, is encouraged to buy various articles for personal comfort—even such elaborate and costly things as motorcycles and automobiles.

A motorcycle five years ago was on a par with a white collar as a symbol of individual indulgence dissonant with the principles of the revolution. Today a gigantic automobile plant is being built in Russia and I am told that many of the proletariat look forward to the

day when they may be able to own their own cars.

It is still true that the official program forbids the use of surplus funds in any enterprise involving the employment of other citizens. The "exploitation of labor" as this phenomenon is called in the Soviet domain, still is banned. But one wonders, in view of the changes that have already been made, how long it will be before this particular economic tenet also will be modified.

Skilled workers get more pay

IN industry, too, this same tendency toward a system of rewards commensurate with individual productivity is noted. Imperceptibly there has crept upon the nation the habit of casually dividing labor into classes—the skilled mechanic or craftsman, and the unskilled toiler. The skilled worker today has more money, a better dwelling, better clothes than his unskilled brother. This is a far cry from the pristine Communist textbook doctrine of paying each according to his needs. I observed even, in the factories of Moscow, the practice of piece-work operation, the method so vigorously resisted by our own American Federation of Labor and so urgently advocated by American employers. The net result of this plan is, of course, to pay that worker most who produces most.

Within 200 miles of Moscow I visited many villages in which, as nearly as I

(Continued on page 100)



7 • Embarrassing Moments in the Lives of Great Business Men—By Charles Dunn

★ Henry Ford, traveling with Thomas Edison and Harvey Firestone, is presented with a pretty problem at a village smithy. Should he purchase and restore it as a bit of Americana, or let obsolescence take its course?

My Money—After I Die

By A MAN WHO HAS SOME

WOODCUTS BY HARRY CIMINO

WHAT is a business man to do with a fortune of several million dollars when, having provided for all his dependents and met all of his worldly obligations, he comes eventually to that passing on which ends his need of money and his power to direct its use?

I have been puzzling over that question now for several years. It has been crowding me since I passed 40. For more than a quarter of a century before that birthday I had been too busy with the work in hand—undertaken to make money but continued because it was interesting work—to bother about what I was going to do with the unexpended increment.

Then I took an extended vacation—a trip around the world. During the first month I kept in touch by cable with two manufacturing plants, a bank and various other enterprises. They were getting along so well without me that in the second month I determined to let them alone.

Where to give?

AS I had nothing else of a business nature on my mind after that, it was only natural that I should begin to speculate as to what disposition I should make of my estate. This speculation led to discussion with other wealthy men, and I was not surprised to find that most of them were facing this same ultimate dilemma of the millionaire. A few had given it up. One of them described his attitude:

"I've had my secretary make up a list of educational, charitable,



My obligation is to see that my money continues to be useful when I am gone

THE problem of how to dispose of a vast fortune at death will never bother most of us. However, as this man points out, all of us may be seriously affected if the men who do have to face this situation fail to find the right answer. Here is a new picture of the responsibilities that weigh upon a man of wealth when he contemplates his fortune's future

social and medical research organizations," he said. "A college professor is employing his spare time analyzing the work they do and sending me reports. When I find an institution that doesn't seem to be duplicating the work of several others and that appears to be forward-looking, I mark it down for a bequest.

New conditions

"I KNOW that conditions will change, and that if history repeats most of these institutions will stand still or at best make slow progress. I know that some of them will become heavily endowed barriers to advancement. But when I do not know what changes will come and what new needs will arise, what am I going to do about it?"

In the end the record shows that most rich men follow this plan, or something like it. But my observation is that they do it by default. Something is radically wrong with the machinery for disposing of an accumulation of wealth. Every generation complains against the "dead hands" of preceding ones—and with reason. But while these hands are living they are handcuffed.

I fully understand that it will make no difference to me what is done with my money after I am gone. But the more I think about it the more I am convinced that it does make a great deal of difference now; that I am under an obligation to see that it is made continuously useful. In my permanent absence, in other words, this wealth ought to be as liquid and vital a force as it is now when I go away for a month or a year. Moreover, along with other

wealthy men with whom I have talked, I am convinced that this obligation is personal. It cannot or should not be delegated to others. When that is done—as is generally the case—a curious contradiction develops. The last testament or the law, or both, operates to set up restrictions under which the original

scholarships, scientific research or any other form of pure philanthropy.

The laws relating to the investment and the administration of trust funds, however, are strict in most states, which is as it should be. But they are also rather narrow and out of date, in my opinion. Even if the testator gives a

ered, the progress of American industry is being definitely hampered.

In disposing of my fortune I should like to avoid any further contribution to this steady withdrawal of funds. My estate is now invested in commercial bonds for the most part, with a portion in common stocks. Even in short periods of depression, these bonds are as safe as government securities. They are safe, that is to say, while the corporations issuing them are ably managed. They could be just as safe after my death.



I have estimated that virtually all our industrial wealth will be unavailable for commercial investment in 75 to 100 years

intent of the testator is frustrated and any free use of the wealth he has left is impossible for meeting problems when they arise.

Three major considerations arise when a man sets out to dispose of a fortune. In my case, at least, the first of these is the sense of obligation to the source of the fortune, which is American industry. The second might be described as the philanthropic urge to help his fellows that stirs nearly every human being after his personal obligations have been met, if not before. The third is a fear of that form of pauperizing charity which can only result in limiting the efficiency of both industry and individuals.

Narrowing of trust funds

NEARLY every business man, I believe, would like to leave his fortune to the industry that produced it—not as a gift, but as a supply of capital to finance expansion and improvements, and to be paid for at reasonable rates out of earnings. Assuming that he made such arrangements it could be done only through a trust fund, which would have provisions also for the distribution of the income. This might be devoted to

trustee substantially the same authority as I give my banking associates today for the investment of funds during my absence, it would not be long before the estate would be taken out of commercial investment and put into low-interest bearing federal, state or municipal bonds.

Three forces would operate to this end—the laws, the beneficiaries of the income from the estate, and the trustee's natural tendency to sacrifice all else to safety. Inevitably questions would arise among beneficiaries. The income would be larger one year than another. When the income fell off some disappointed interest would challenge the administration of the estate. The disposition of the courts then would be to order the investment into fields of low but fixed yields. The tail would begin to wag the dog.

No one business and no one industry could get a hearing on the ground that the total reservoir of commercial capital was being impaired, because the proportion even of a large estate to that reservoir is so small that it would be impossible to show damage. But when the total of all estates being administered as trust funds is consid-



erately large, the drain on industry is being definitely hampered. In disposing of my fortune I should like to avoid any further contribution to this steady withdrawal of funds. My estate is now invested in commercial bonds for the most part, with a portion in common stocks. Even in short periods of depression, these bonds are as safe as government securities. They are safe, that is to say, while the corporations issuing them are ably managed. They could be just as safe after my death.

Training commercial funds

I AM told that money for commercial investments is much more difficult to raise in New England than in any other section. The reason for this is that trusts were first brought to their present large development in the large New England centers. Without having made an absolutely accurate analysis, I have estimated that virtually the entire current industrial wealth of any large city will be out of the market for commercial investment in 75 to 100 years. In some cities where trusts are popular the turnover will be more rapid. Many a strong concern has been forced to the wall by withdrawal of its capital by this process.

The widespread distribution of security ownership is helping to offset or eliminate this danger insofar as it constitutes an immediate threat to a single corporation. But the drain on industry as a whole can be reduced only by changes in the laws to encourage the administrators of trust funds, under ample safeguards, to consider the estate or the trust fund in part at least as the business man considered his estate during his lifetime. I have no doubt that eventually such changes will be made. They are a logical following up of the changes made in the past ten years in commercial financing.

Credit today is based on the use that is made of a plant and its present or potential earnings. Before the war it was based on real estate, plant, equipment and inventory. Under the new conception, however, any or all these holdings formerly listed as assets might really be liabilities. I should not wish to weaken public confidence in securities now regarded as gilt-edged, but the fact remains that many issues of county, township and municipal bonds classified as proper and legal investments for trust funds have been in difficulties in the past few years. Some are considerably in arrears in their interest payments. Thus, even when the yield is

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low and the investment legal, an estate may lose money if it lacks able continuous management.

I think it will be admitted that the majority of business men who create vast industries and then give their time, brains and energy to their expansion after all personal need has been satisfied are actuated by other motives than the hope of gain. Whether he is justified or not a man who has reached that stage begins to dramatize himself as a philanthropist. He may want increasing profits and larger markets for his products, but he wants them chiefly to satisfy his ambition to give employment to more people and to increase his contribution to national prosperity.

Thousands of men now depend for employment on certain manufacturing activities largely in my control. In disposing of my fortune I should like to guarantee, as far as possible, continuation of that employment, and increasing opportunities for self-advancement. To distribute among them pro-rata what I have accumulated would be to dissipate or destroy the power of my wealth and —by the pauperizing influence of something-for-nothing—reduce their individual efficiency. That, of course, is out of the question. But how am I to leave this wealth so that it will be available to industry?

"Worthy causes" that died

THE second consideration—the desire to see that the income from my estate shall be of general benefit after this first obligation to industry has been discharged—brings up even more perplexing problems. In one day I could probably find the names of a thousand "worthy causes." But in less than that time I could find as many more that were just as worthy and as promising ten, twenty or thirty years ago but which now constitute perfect examples of the dead hand. They were organized to alleviate economic or social conditions that no longer exist.

An example of this is the St. Louis fund established to aid worthy pioneers emigrating to settle the wild and more or less unexplored West. When the fund was founded, this journey was beset with perils, and required expensive equipment. Today any part of the West may be reached in fast trains in a day or two. A common laborer can earn his fare more quickly than he could get money from the trust.

Another illustration is the famous Ben Franklin fund in Philadelphia and

Boston, designed to aid artisans. The restrictions are such that no loans have been made for half a century or thereabouts, and in Philadelphia the accumulation has been turned by court order into a fund for the Franklin Institute. The need in this instance prob-

ably still exists. But the machinery of credit has gone far beyond anything that Poor Richard could have foreseen. With the security that is required by the Franklin will the artisan can get the money elsewhere with less trouble

and in half the time.

It will make no difference to me in 50 years if I have made myself ridiculous, but I have a distinct disinclination now toward doing anything with my estate that will have that effect. Pride is only part of it. If for no other reason than that I can afford to do it I want to contribute my share toward making a better and happier world. Something must be done with the income, but how is one to know that the most fundamental need of today will not have been eliminated in a few years through economic advancement?

This brings us to the third consideration, which in my opinion is chiefly responsible for the absurdities of many trust fund provisions. That consideration is the fear of pauperization, of defeating one's own aims by weakening men when one is trying to strengthen them. Out and out charity may always be necessary; we have found increasing need for it as our standards of living and general prosperity have increased. But I imagine every business man has wondered at some time or other if our people would not be better off with self-help instead of charity.

I recognize that the whole trend of modern social effort is in this direction, yet the fact remains that organized charity itself is responsible for a good deal of the suspicion with which practical business men regard it. There is no profit motive, and that is held to be a good thing.

But there is also no compulsion toward efficiency. New divisions are organized from time to time as new needs develop. But old divisions are not discontinued as the need for their services disappears. The operators are too busy

making reports of the encouraging progress that has been made.

Witnessing this process in operation today, the man with a fortune quite naturally hesitates. Most of those with whom I have discussed the problem swing back to my first suggestion—that money made in industry ought to be left permanently available to industry. Moreover, they agree with me that the economic function which serves as the foundation for all social, charitable and educational programs should come first. If the income of a fortune is left for scholarships, in other words, the income should be earned.

Discouraging bond issues

I AM aware that if we could bring about the necessary changes in the trust laws and if any great number of wealthy men made wills in accordance with the ideas I have outlined, the market for



I hope to avoid pauperizing charities that limit efficiency of men and industry

securities of the so-called "gilt-edged" variety would be materially affected. But I am not convinced that this would be undesirable. Federal and state financing on the whole has been well managed in this country, but the same cannot be said of all municipal, county and township financing. Few business men are willing to admit that the expenditure of sums raised by political units, even federal and state, is on a plane of ef-

(Continued on page 133)

We've Been Overlooking

By Victor M. Cutter

President, United Fruit Company

★ CONVERSION of the peaks and troughs, which have marked the graph of American business, into a straight ascending line can be accomplished by finding a market that can be steadily developed, says Mr. Cutter. Curiously enough, we have largely neglected just such a market, one which the experience of his company has shown to be endowed with vast potentialities

ECONOMISTS, statisticians and ordinary business men seeking to explain the recurrence of periods of depression in the United States agree on one point—there are not enough customers to go 'round. Opinions may differ as to the reason, one group blaming over-production and another blaming underconsumption, but in the end both theories flow into a single channel of fact and more customers is the remedy.

It is now generally agreed that we have been short of customers in this country for a year, particularly for manufactured articles which in normal times provide employment for a large proportion of our working population. I think it will be conceded also that the first effect of this condition, as in previous depression periods, has been to intensify that form of competition which reduces itself to a battle for existing consumers.

Not how they can be served, but how they may be induced to buy one man's product instead of another's becomes the dominant problem.

Rio de Janeiro's smartest shops line this thoroughfare, Avenida Rio Branco

Given that problem, it is not difficult to find the answer, and we have been finding it by methods that smack of economic adolescence. Prices in nearly all instances have been slashed, frequently to the point where profit disappears. Wage rates have been cut—although fortunately this practice has

not yet become general—and buying power has been reduced accordingly. Dividends have been passed or decreased, with the same effect. There is no other solution unless we reject the battle theory of competition, and recognize that the sole function of business—the only excuse for it, as a matter of fact—is to supply human needs.

Finding new customers

WITH that as the problem, the obvious solution is to find people whose needs are not being supplied—in other words, more customers. This does not mean that as we find these people and supply their needs competition will be eliminated. On the contrary, it will be intensi-



Opportunity on Our Doorstep



The public market of La Paz, Bolivia, evidences the limited range of products of native origin



PHOTOGRAPHS BY
LIONEL GREEN

Most South American Indians still go barefoot. But when one turns up with a pair of shoes all of his fellows want them

fied, but it will be a competition of the new order that looks to ever rising standards of living, the shifting of huge groups into increasing levels of buying power; a competition which in meeting one need creates another, and which, by making one new customer, opens the door to many.

A market of 85 million

THAT may sound Utopian to the average American business man in the light of existing conditions at home, but the fact is that we have such a market, and that the opportunity it offers is little short of colossal. That part of the western hemisphere which we call Latin America—including Cuba and Mexico as well as Central and South America—



American autos take Monte-video citizens to their beaches

has a total population of 85 millions. The land area is more than twice that of the United States. Only half of it has been explored, but we know it is capable of supplying the entire world with food, since the available lands lie in the Tropical Zone to a greater extent than those of any other continent.

Four times greater

A LITTLE less than a quarter of a century ago the business done between the United States and Latin America totalled about 500 million dollars a year. In 1929 it was more than two billions of dollars—and this year, in spite of world-wide economic depression, it will be large. Yet it should be a great deal more.

Almost anywhere else in the markets of the world, what we may be able to sell is a matter of conjecture. Political and economic conditions are so variable and competition in these markets is increasing so rapidly that one good year does not necessarily mean a better one to follow.

In Latin America, on the contrary, we face today an entirely different set of economic conditions. On the one hand there is a great need for all sorts of manufactured articles, and for capital to develop highways, railroads and public improvements—for everything, in short, which will add to the comfort of life and elevate standards of living. On



Much of the growing business of Lima, capital of Peru, is transacted in the varied establishments that line this narrow street

the other are some of the world's greatest remaining stores of natural resources, such as oil, minerals and timber, plus coffee, sugar, grain, hides, meat and tropic fruits.

The economic tie between the Americas arising out of these conditions is not duplicated anywhere else in the world. We need and will continue to need constantly increasing quantities of these products of the South as badly as the undeveloped agricultural countries of Latin America will need our manufactured articles and our capital. Therein lies a market so ideally reciprocal that, in my opinion, the future prosperity of the whole western world depends on its intelligent development.

The rate of this development in the past quarter of a century has been more

dence that foreign trade here and elsewhere did not go up rapidly enough.

Selling effort is needed

TO PUT this in another way, I believe it can be demonstrated that if the business men of the United States had put into Latin America relatively the same effort that they have given to the development of other foreign markets, we should not be troubled today in any industry with problems of overproduction and unemployment. Specifically, it is my judgment that in the Caribbean countries, at least—and they account for a good half of our total Latin-American trade—we have reached less than 20 per cent of the potential customers for American goods. In some industries

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the percentage is even less than that.

A great deal of the development has been purely accidental. A popular story among commercial men who know the Tropics, for example, tells what happened when the wife of a visitor from the United States presented one of the women in an Indian village with a pair of silk stockings. These Indians—like human beings in the mass everywhere—had been doing just about enough planting, weaving and such other work as they could get to supply their primitive wants.

But that pair of silk stockings caused a buzz of industry. Within a few months every woman in the town had supplied herself with modern hosiery. A need had been created. It spread to surrounding villages, and new wants followed it. Shoes began to replace moccasins. The moccasins in the majority of instances were home-made. Buyers of shoes sold the moccasins or turned to other productive effort to get the money for the new footwear. New shoes and hosiery led to a demand for modern wearing apparel.

Shoes can be sold there

IT IS said that fully 65 per cent of the Indian population of Latin America is still going barefoot. But when one turns up with a pair of shoes all of his fellows want them.

The point of this cycle of peculiar significance to American business just now is that when a customer is made in Latin America he is not taken away

from a competitor. On the contrary, he represents a definite addition to the sum total of buying power and—through his production—to a lowering of the cost of living.

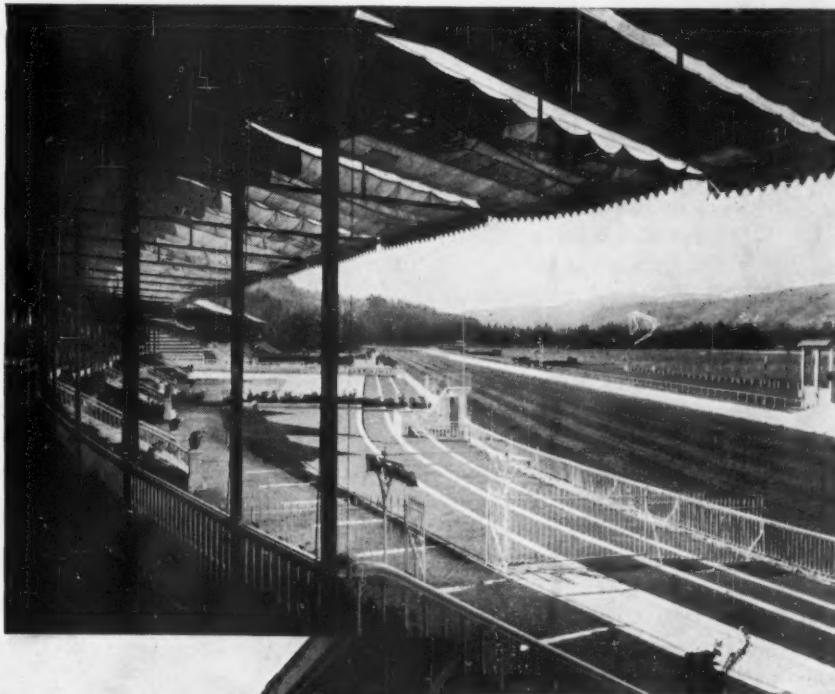
Multiply that incident by almost every manufactured article we make in the United States—particularly by those things which we are making in greater abundance than we can use at home—and you have a partial vision of the Latin-American market. Add to that our stock of capital in excess of our requirements at home, and our growing need of crops and mineral resources which we cannot produce at home or of which our supplies are failing, and the essential economic link between the Americas

takes on the aspect of self-preservation.

We should have to pay in one way or another many times as much anywhere else for the things we are going to need as we shall pay now in Latin America if we go in on a reciprocal basis. We could be doing a business of ten billion dollars with Latin America, instead of two billions. Even at that figure we should not have reached anything like the saturation or satisfaction of markets which we have attained at home.

A field for good transportation

MORE progress has been made in the building of transportation and communication systems in the past quarter of a



Valparaiso folk find recreation at this fine race track



The bulk of one of South America's principal items of export to us comes from this city, São Paulo, coffee capital of the world

PHOTOGRAPHS BY LIONEL GREEN

century than during all of the preceding years since the Spanish Conquest. But Latin America as a whole is only about where the United States was at the beginning of our great railway development just after the Civil War, in point of physical construction.

The similarity between the market of North America then and that of South America now, however, ends there. In point of demand on their part and of the knowledge and ability on ours of how to meet it, there is no comparison. Comparison fails also in the con-
(Continued on page 118)



George L. Coyle

COYLE'S story interested me. Every retail merchant who drops his lip and whines in minor keys should read it. Coyle isn't afraid of chain stores or mail-order houses or new ideas. He thinks that most bugaboos are all boo and no bug. He'll throw a hat in the face of any enemy. Opposition does him good. It makes him think. If a streak of hard times did not come along now and then he might get fat and fail.

Perhaps that sounds as though Coyle is a radical. He isn't. I would rate him as a conservative, but I would qualify the rating. If the reader thinks that a conservative is naturally slow then I'll change the title. Coyle keeps a little ahead of the times in merchandising. But his speed does not make him dizzy. Note the two rules under which his store is governed:

"Be fair to the customer."

All merchants have that rule. Say they have it at least. The second is so new it shocked me.

"Be fair to the store."

Coyle believes in service. He believes in service of such quality that his customers come back and keep on coming back. But he does not throw money away if he can save it. His common sense made me gasp. If he had given me the new-fashioned flapdoodle I



The present building was occupied when change indicated a move

would have been better satisfied. I would not have believed it, mind you. But I am more used to it.

Come to think of it, Coyle is an old-fashioned merchant.

The old-timers were not scared by a

He Expects D



PHOTOGRAPHS BY HORYDCZAK

From his desk, Mr. Coyle commands this view of his main floor

few troubles. They sent wagon trains across mountains and got their goods in on pole boats and took Indians, droughts and privateers as trade risks. They delivered the goods as the customers wanted them and got a profit for the delivery. That was sound merchandising then. It is sound merchandising now.

Head of a growing business

WHO is Coyle?

George L. Coyle, head of the department store of Coyle and Richardson of Charleston, W. Va., and once president

Depression to Pay Dividends

By Herbert Corey



of the Chamber of Commerce. Doing a business that grows a little each year, has been growing a little for years. Housed in the third brand-new building Coyle and Richardson have occupied in the fourth successive business center of the city. An enthusiast about Charleston and his job, he actually believes that competition is the life of trade—doesn't see what he would do without it.

"There are 54 stores of one chain in our district and 30 of another and several small local chains and plenty of fine, high-class, up-and-coming competition," said Coyle.

That sounded pretty tough.

"Not tough at all," said Coyle. "It's a good thing for us. Keeps us on our toes. Makes us think. Then makes us get out and do things. This is a better store because the chain stores came in. We're making more money, too."

Competition has always been tough

in Charleston. The set-up made it so. Charleston is and has been one of the richest cities per capita in the United States. Per capita richness does not always help the local merchant. The richest people per capita made frequent visits on business or pleasure to the larger centers. Of course

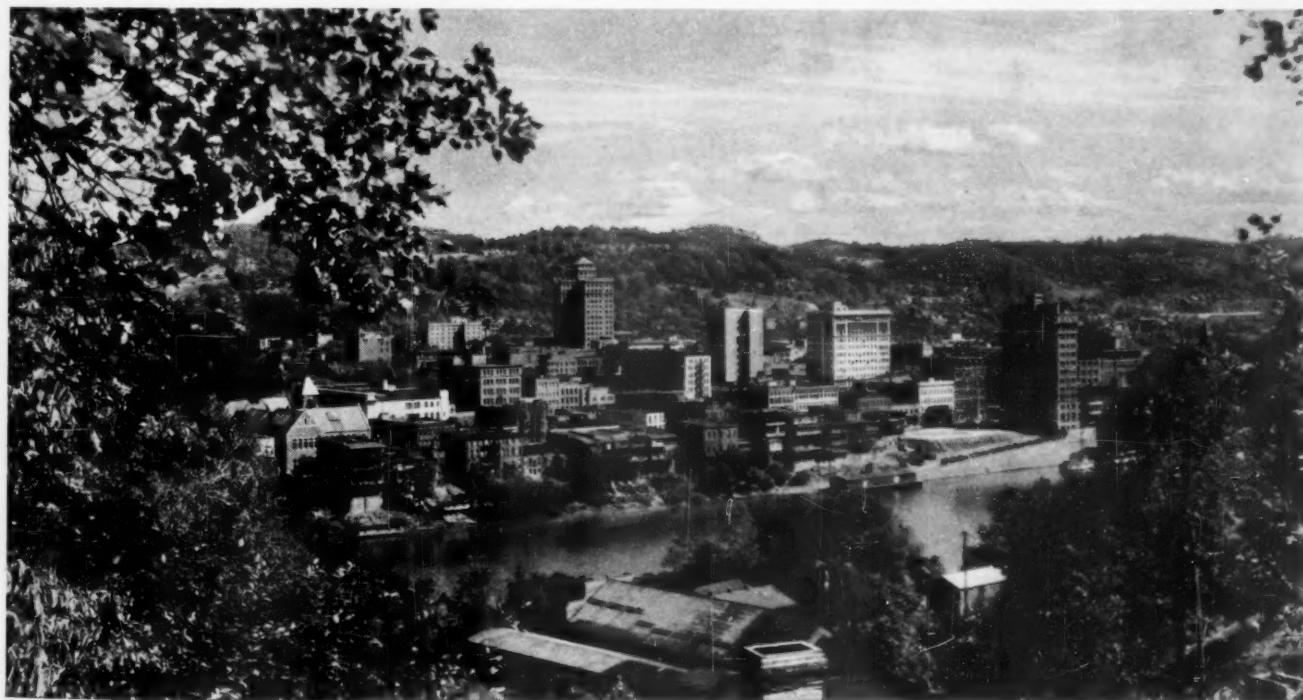
they bought goods. In some families an annual European trip was an obligation. They bought things in Europe. Because the power of the merchants to keep their shelves well stocked with the final luxuries was thereby lessened, the richest per capita maintained charge accounts in Cincinnati and Pittsburgh and other nearby cities.

The somewhat less solvent per capita also maintained out-of-town charge accounts. A distant charge account became a sort of a hallmark.

GEORGE L. COYLE, of the Coyle and Richardson department store in Charleston, welcomes hard times. That doesn't mean that he likes to see business fall off. It means that his is a fighting philosophy that doesn't fear heavy weather. It will brighten your viewpoint

Another thing. Until a few years ago Charleston was netted in by mud roads—no good roads at all.

A glance at the map then would have shown many prosperous small towns in what should have been the Charleston shopping district. But even in the summer it was hardly possible for their residents to get to Charleston awheel. In the winter, mules and mud boats were required. Many of these little towns are built about mines on branch railroads. Charleston could only be reached from



When Charleston began to do all the business a city of its size could expect to do, progressive men took steps to make the town larger. This is the skyline that resulted

most of them after a wait at a junction and a ride on a coal train with a dingy coach attached. Sometimes adventurers waited at two junctions and spent a day and half a night on the ride. The day of West Virginian development had not yet dawned.

The result was inescapable. Charleston's merchants found their activities seriously limited. They prospered modestly, but they carried handicaps.

About ten years ago the good roads era opened and conditions changed. The people of the small towns began to find it possible to drive in to Charleston to shop. A 15 mile drive each way had once taken a day. Now women can whirl in after lunch, do their shopping and go to a movie. That speeded up competition, of course.

Good roads bring chain stores

WITH the good roads came the chain stores. Why shouldn't they come? The buying boundaries of Charleston had been enlarged. The chain stores sold the staples the older stores had been selling and promised to sell them more cheaply.

Tough again? Coyle likes it. Coyle and Richardson's department

store has been a leader in Charleston during two generations, a sound, ably managed, reliable establishment which catered to the best people. When George L. Coyle's father retired and he succeeded to the direction, he was familiar with the store. He had been steeped in its tradition. Some young men at college forgot all about the business at home. He did not. He spent part of his vacations in the store. He knew what was being done and why. He was entirely competent to take over the job. But Coyle cast about for hints which might help him. On a buying trip to New York he called on one of the older merchants who had been his father's friend.

"I'd like to tell you what I am doing," he said, "and ask you to give me any suggestions which might help me."

When the older man had heard his story he nodded in approval:

"Good enough," he said, "as far as you've gone. But you have not touched on an important item. What relation does your cash business bear to your credit business?"

Coyle felt himself on sound ground there. Coyle and Richardson's had always favored the cash trade. The customer with bills in the billfold was as

welcome as spring grass to a horse. Coyle straightened up with a smile of conscious pride:

"We're all right there," he said. "We're fine. Fifty-five per cent of our business is spot cash."

Credit trade has advantages

"TERRIBLE," said the elder merchant, dolefully. "Terrible. You'll be ruined."

When Coyle understood that credit business is to be preferred to cash—and why it is to be preferred—he changed the store's theory of business.

The importance of that incident is not in the fact that credit accounts are to be preferred to cash customers. That is recognized nowadays. A personal relation is established between the charge customer and the store. He comes back. He feels that he is recognized as a client and as such is entitled to special consideration. The cash buyer remains a stranger after 40 years. Each transaction is complete in itself. He is not linked to the store.

The significance of the incident is in the fact that Coyle had an open mind. He does not reject new ideas. He had been trained to favor cash but he saw the higher value of credit. On his return he began to patrol the aisles. He had, of course, the great advantage of knowing most of his customers by name. He knew the young ones by their first names. When he saw a customer taking out his pocketbook he would interpose:

"Keep that in your pocket. You might need it before you get home. Open a charge ac-

(Continued on page 124)



This basement grocery department has no fear of chain competition



The Great Dupont Ammonia Corporation, one of the chemical plants in the Charleston area

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Alfred Pearce Dennis has
watched the operation of
the flexible tariff law for
the better part of six years



UNDERWOOD & UNDERWOOD

Making the Tariff Really Flexible

By ALFRED PEARCE DENNIS



THE United States has adopted new flexible tariff provisions which undoubtedly touch your business somewhere. Here Mr. Dennis, of the U. S. Tariff Commission, gives his personal views of the new flexible clause and of how it will work

TO MANY business men the tariff is a dark mystery. Why do uncut diamonds come in free while cotton and woolen clothing are heavily taxed? One may make some headway in society without diamonds but not without pantaloons. Why should pigeons from alien lands cross our frontiers untaxed while other live birds pay a good stiff import duty? Why levy a heavy import tax on tombstones and let leeches, fossils and human skeletons come in absolutely free? Haven't we enough leeches, fossils and skeletons to go around without encouraging importations?

A tariff bill is not a body of systematized knowledge, it is rather a hodgepodge of oddities, contradictions, exceptions—the result of conflicting interests. But behind rates which appear fortuitous and illogical there generally lies a modicum of sound reason and informed judgment. Considering the magnitude of the task, Congress does pretty well by us when it comes to framing a tariff bill. The layman has no conception of the enormous amount of human effort spent in preparing a tariff bill. President Eliot's famous five-foot shelf of books would not contain the amount of printed material which went into the preparation of the new tariff bill. The Tariff Commission alone provided 2,700 printed pages of information. House and Senate Committees heard about 2,400 witnesses. The actual debates in the Senate alone filled 2,800 printed pages in the Congressional Record. Our customs officials must pass on something more than 21,000 different imported articles. Somebody must have accurate and authoritative information as to the tariff reflexes of these articles; somebody must know all about wormgut, zin-zin, spunk, agar-agar, tetramethyldiaminobenzophenone (to cull a few

BUSINESS MEN YOU HAVE READ ABOUT



HELPS

The Government's unemployment relief is under the leadership of Col. Arthur Woods of New York



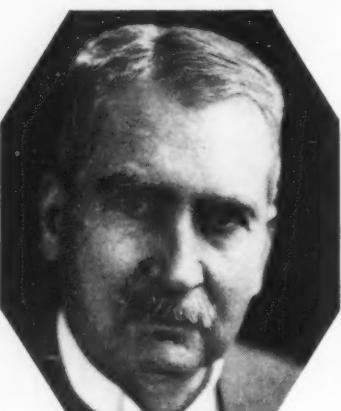
RAILROADER

New head of the Missouri-Kansas-Texas Railroad is M. H. Cahill, former chairman of the board



CONFIDENCE

Earle W. Hodges, Lions head, calls on all members to show their confidence in the stability of business



WINS MEDAL

The John Fritz Medal is awarded to Admiral D. W. Taylor for aids to safety of life in navigation



FIGHTS

Antichain forces have a new champion in Fred P. Mann, Sr., Devil's Lake, N. D., department-store man



STUDIES POWER

J. H. Cohen, N. Y. Port attorney studies St. Lawrence power development to take it out of politics

random articles from the voluminous list.

In classifying watches for purposes of duty, somebody must know that every little watch movement has a tariff meaning all its own. Let a layman study the watch paragraph and explain it in terms of jewels, hairsprings, mainsprings, housings, diameters, thicknesses—the human mind tackling the complicated, dreary business sinks wearied and bewildered.

It takes years of intensive study to understand the political and economic reflexes of readjustment in tariff rates. Though the lawmaker brings high intelligence and lofty purpose to the task, no mere man may hope to master the details of tariff making. Becoming a tariff expert is a long job.

Tariff making is specialized

BEFORE the upsurge of modern industrialism, tariff making was not what it is today. In the early days, it was rather simple to analyze the merits or demerits of a bill carrying perhaps less than a score of important items. But the highly specialized business of our industrial civilization demands the consideration of thousands of items.

Our lawmakers in legislating tariff rates for German aniline dyes, Belgian plate glass, Paris gowns, Czechoslovakian shoes, Japanese artificial pearls, cannot go it blind. Determinations in highly technical cases cannot be drawn out of the air or from some inner fount of inspiration. Decisions should be based upon an enormous amount of statistical material, backed up by the testimony of men who have devoted years to manufacturing and distributing highly specialized commodities.

Tariff making has become an intolerable burden to our lawmakers. Over-worked men have toiled and agonized over the business for the better part of two years and are glad to be quit of it for a good long while.

Congress has no real relish for the job. It's a tiresome, exacting, ungrateful task and politically risky. Looking over our history, general tariff revisions may be set down as a liability rather than an asset for the party in power. It would be a boon to humanity if general tariff revisions were no more frequent than, let us say, visitations of 17 year locusts. But tariff adjustments never stay put. A rate that is fair today may become unjust tomorrow.

The accumulation of injustices and inequalities forces tariff revision on reluctant lawmakers. If these maladjustments could be corrected piecemeal as they crop out by a body of tariff experts

general tariff revision by Congress might be postponed indefinitely. Because of new inventions and ceaseless changes in style and manufacturing technique, rates established by Congress are continually falling out of line with the actualities of competition. Style changes in women's wear call for constant tariff tinkering. In 1924 Italy shipped us wool felt hat bodies to the value of about \$70,000. Early in 1928 American women became possessed of the notion that close fitting felt hats were the only proper thing. In that year 30 million women's felt hat bodies, valued at five million dollars were imported from Italy.

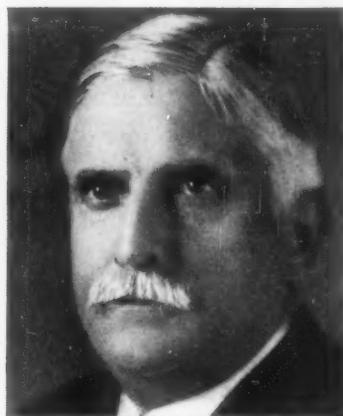
In 1924 imports of methanol (synthetic wood alcohol) ran to 48,000 gallons. In 1927 nearly two million gallons came in. German chemists had learned to make wood alcohol synthetically from coal gas. Under the new method this alcohol could be produced at about half of our domestic costs. The duty on methanol was raised by presidential proclamation in an effort to save one of our oldest industries, the distillation of alcohol from hard woods. Under the stimulation of a higher duty our own chemists turned their attention to making synthetic wood alcohol. They are now turning the stuff out as cheaply as the Germans can make it. Whereas four years ago our wood alcohol industry was threatened by the German laboratory, it is today threatened by the American laboratory.

New industries want protection

WE HAVE relics of once prosperous businesses hopelessly beaten by improved methods and style changes. On the other hand we have a perennial crop of new industries crying, "me too," when it comes to tariff protection. The automobile and motion-picture industries draw in their train a clamorous brood of new trades and industries. Some years ago that capricious jade, Dame Fashion, became offended at celluloid collars. It looked as if little Cinderella Celluloid would have to remain in the kitchen while her haughty sisters, linen and cotton, were attending the ball. But Cinderella, daintily tricked out in filmy, translucent raiment, has turned out to be the reigning belle of the season.

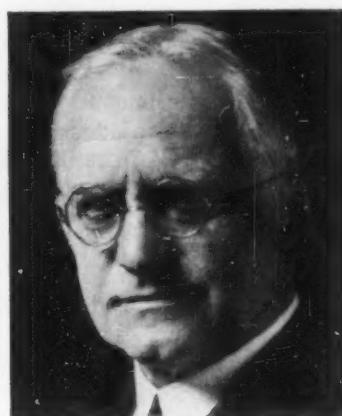
The positive celluloid film manufactured in one year by one American firm for motion-picture purposes would girdle the earth six or seven times at the equator. Within two years the making of safety, or nonshatterable glass, by gluing a thin sheet of transparent

IN THE PASSING NEWS OF THE MONTH



RECOVERING

President Butterworth, of the National Chamber of Commerce, is improving after a severe illness



CLINICAL

A million for a children's dental clinic in Stockholm is donated by George Eastman of Rochester



NEW DIVISION

The new Domestic Division of the Department of Commerce is headed by Edward F. Gerish



FOR JOBLESS

New York City's unemployment problem is tackled by Seward Prosser, Bankers Trust chairman



LEADS A. B. A.

Rome C. Stephenson, of South Bend, is the new head of the American Bankers Association



EXPERT

Ethiopia's finances got in a tangle, so they called on E. A. Colson to advise tax remedies

celluloid between two sheets of plate glass has sprung up apace. In a world of changes tariff rates must change also.

Flexibility was an experiment

IT BECAME apparent that some instrumentality was needed for the scientific correction of specific tariff inequalities and injustices as they cropped out. The answer to the need was the flexible tariff provision written into the Fordney-McCumber law of 1922. The flexible tariff represents an experiment in human government entirely new to organized society. It is an attempt to substitute a scientific for a haphazard method in tariff making. It represents an effort to provide a means for meeting a difficulty. But all tools which human genius fashions for dealing with the complex problems of life are at first, crude, clumsy, and ill-adapted to the particular end in view.

The automobile was devised as a weapon for the conquest of time and space. It was an answer to the universal demand for quick individual transportation. But the automobile of 30 years ago was a sorry contrivance as compared to the splendid, luxurious machines of the present. The idea of the flexible tariff was pretty generally approved by political and economic opinion throughout the country. It may happen, however, that excellent paper schemes for governmental improvement may not always work well in practice. After eight years of experience the flexible tariff provision has but poorly fulfilled expectations. The thing was a distinct disappointment.

There were two principal reasons for this: first, inadequacies of the law; second, defects in its administration. The best of laws are not self-executing. In the case of the flexible tariff law, Congress voted the experiment with misgivings and apprehensions. Congress was cautious about delegating tariff rate-making powers to the executive branch of the Govern-

ment. Manifestly an independent Commission should not be set up to function as a little Congress in matters affecting taxation. Congress entrusted very little judicial authority in its original grant of powers to the Tariff Commission. The Commission, under the law, was hardly more than a ministerial agent. Its determinations were limited to the mathematical formula of production costs.

The ascertainment of production costs, particularly in the case of a foreign commodity, was a tedious, difficult, and uncertain process. If, after exhaustive investigation, it appeared that the existing duty on a particular commodity did not equalize foreign and domestic production costs, it was the Commission's duty to suggest a rate to the President that would correct the inequality. The matter was essentially mathematical and mathematics is an exact science. Cold statistics leave little room for independent judgment.

Commission has more discretionary power

THE Commission's report having gone to the White House, the President was free to proclaim any duty one or more Commissioners suggested and equally free not to proclaim any change of duty at all. In one case President Coolidge accepted the findings of one Commissioner as against the findings of four others. In another case he rejected the findings of the entire Commission. In a dozen cases he quietly pigeon-holed the Commission's reports.

Under the new law, the President has less discretionary power and the Commission more. Under the old law, nothing could be done until production cost had been ascertained. Of course, production cost is only one of many factors in the competitive picture. Goods are often thrown on the bargain counter and sold below cost of production. Other goods,

(Continued on page 122)



HENRY MILLER

The Senate Committee, drafting the tariff bill, heard 2,400 witnesses, and debates in the Senate itself filled 2,800 printed pages in the Congressional Record

Canada's Wheat Pool Faces a Crisis

By JAMES E. BOYLE

Professor of Rural Economy, Cornell University

AGREAT deal has been said and written in the last six years about the Canadian Wheat Pool. Yet how vast is the public misconception of this dramatic agrarian movement. The pool is an experiment which is both interesting and profitable to watch, particularly at this time of great crisis when it is suing hundreds of its members to compel their loyalty.

A wheat pool, as the reader doubtless knows, is a combination of producers who entrust to paid managers, hired for that purpose, the complete and unqualified control of the storage and sale of their wheat. Students of the grain trade have been much impressed with the world-wide discontent over price among wheat farmers.

The farmer has a feeling, amounting to a conviction, that the price is determined by the methods and the machinery of marketing, rather than by the underlying conditions of supply and demand. He feels that if he could change the flow of the grain to the market he could thereby change the price. He favors so-called "orderly marketing."

The background of the pool

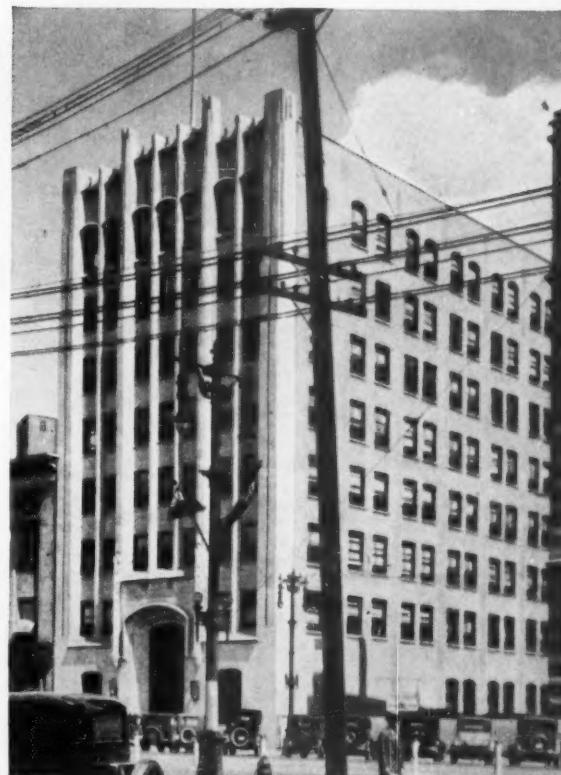
SO in Australia, Canada, and the United States today we see farmers in gigantic pools for the marketing of their wheat. In the United States this movement has been operating about 11 years; in Canada six.

Part of the pool movement is purely an emotional affair. In this sense, the Canadian Wheat Pool is a new religion.

Part of the pool movement is purely economic. In this sense, the Canadian Wheat Pool is a new marketing system.

I will endeavor to analyze and interpret the Pool as an economic institution. But first a word must be said about the economic and social background of the Pool.

The three prairie provinces of Canada—Manitoba, Saskatchewan, and Alberta—where the Pool has one-half the farmers enrolled in the membership, are settled by vigorous, independent, and stubborn northern races. Here we find



The Pool's central selling agency is located in its own building at Winnipeg

Scandinavians, Germans, Americans, Scotch, Finns, Russians, not to mention the Ukrainians and the Doukhobors. They are pioneering in a new country, north of the forty-ninth parallel. They cannot escape the cruel hardships of pioneering in this new land—summer droughts, winter blizzards, early frosts, and hail. They cannot escape the loneliness of the prairie. Neighbors are few, roads are bad. There are no doctors and few schools.

Many settlers are homesteaders and still live in sod houses. They have little capital—not enough to tide them over a period of reverses. They are in debt.

These conditions make life hard for the men, harder for the women.

But such is the price of subduing a new continent and



THE Canadian Wheat Pool, organized with the avowed purpose of increasing prices, has served injunctions to compel hundreds of reluctant members to deliver their wheat according to agreement. Professor Boyle, a recognized authority on marketing, explains here just why the Pool's effort at price control came to grief

passing on a patrimony to the oncoming generations.

One economic factor enters which greatly affects the psychology of the pioneers. This is not merely a wheat country, it is a one-crop country. Worse than that, the one crop is produced many hundreds of miles from the terminal markets where the dealers buy it, and many thousands of miles from the markets where the ultimate consumers buy it. Since money lenders find one-crop sections poor credit risks, interest



The Prairie Provinces are not only wheat country, they are a one-crop country

CANADIAN NATIONAL RAILWAYS

rates are high. The one-crop farmer is certain to brood over his hardships. Some of these hardships are due to the weather or other natural conditions; some are due to purely human agencies which he blindly groups under the general name "middleman."

In times of low-priced wheat, he is sure to construct for himself a philosophy of misery, and to attribute all his woes to one simple human agency, namely, the "middleman." In this way it comes about that the strongest anti-middleman complex in the world is found with the one-crop pioneer farmer. A farmer in such a state of mind is ready to join a wheat pool.

Turning now to the aims of the Pool we see some interesting economic contradictions. Is the Pool organized to sell wheat? Or is the Pool organized to control the price of wheat?

These two objectives are incompatible in a crop like wheat because the supply cannot be controlled.

Intended to control the price of wheat

THE evidence is convincing that the original aim of the Pool was price control. This was, indeed, the aim of the various wheat pools formed in the United States during the three or four years preceding the Canadian Pool. Since the principal pro-pool speaker in the United States became the principal pro-pool speaker in Canada it is reasonable to believe that the price-control theory crossed the international boundary line. But the evidence is much more tangible than this.

If we take some of the formal utterances of pool organizers and pool officials in the United States, made when the Canadian Pool was being organized, we find a remarkable unanimity on the subject of price control. Many pages of



It is not too late for the Pool to consider production problems

HORYDCZAK

such quotations could be given. Two or three examples must suffice. The president of the North Dakota Wheat Pool, giving the principal address at the Kansas City Convention of Wheat Growers in 1922, said:

The ultimate aim of the wheat growers is to put a price tag on a bushel of wheat. When anybody says it can't be done, I don't believe that person knows what he is talking about.

An organizer of the Indiana Wheat Pool early in 1924 published the declaration, "Everybody sets a price on what he sells except the farmer." He then goes on to his conclusions:

"Let's get control of the flow of the wheat crop and so be able to control price."

The real crusader of the movement, however, both in the United States and Canada, was a gifted and thrifty young attorney. Speaking of pooling, under the name of cooperative marketing, before the Indianapolis Wheat Marketing

Conference, he repudiated vehemently the notion that pooling meant cutting down the handling charges.

There is no such thought in cooperative marketing . . . We don't say that the purpose of cooperative marketing is to introduce any economy in the physical handling of grain, because we think that particular point is absolutely too trifling to bother about. What are we trying to do? When we talk of cooperative marketing, we say this! We are interested in raising the basic level of the price of wheat.

If we turn to the three provincial wheat pools of Canada we find they were organized on the same economic theory of price control. The first one, the Alberta Pool of 1923, stressed "orderly marketing," or control of the flow of the wheat as the means of controlling price. This same dogma of orderly marketing was later accepted by the other two provincial pools. Finally came the central selling agency at Winnipeg, the Canadian Wheat Pool, and it announced adherence to the same theory.

I may say, in passing, that students of the grain trade know that the dumping of wheat on the domestic market has no effect on price; this is true, because the futures market is wide enough to absorb without a shock all the hedging sales which offset the purchases of the cash wheat. In fact, the main justification for future trading has been its service to hedgers, and, back of the hedger, to the grower of the grain.

Hedging saves loss

THE miller, or the terminal elevator operator, buying cash grain and paying for it in large quantities, has incurred little or no risks from price declines as long as he has hedged in the futures market. By shifting these

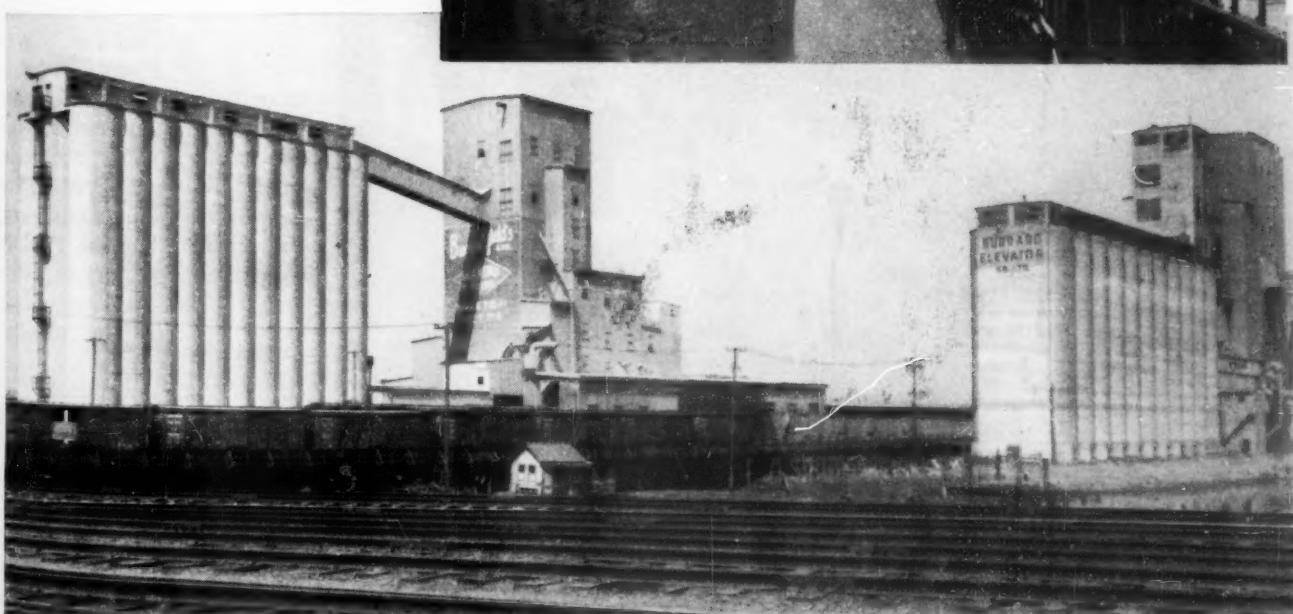
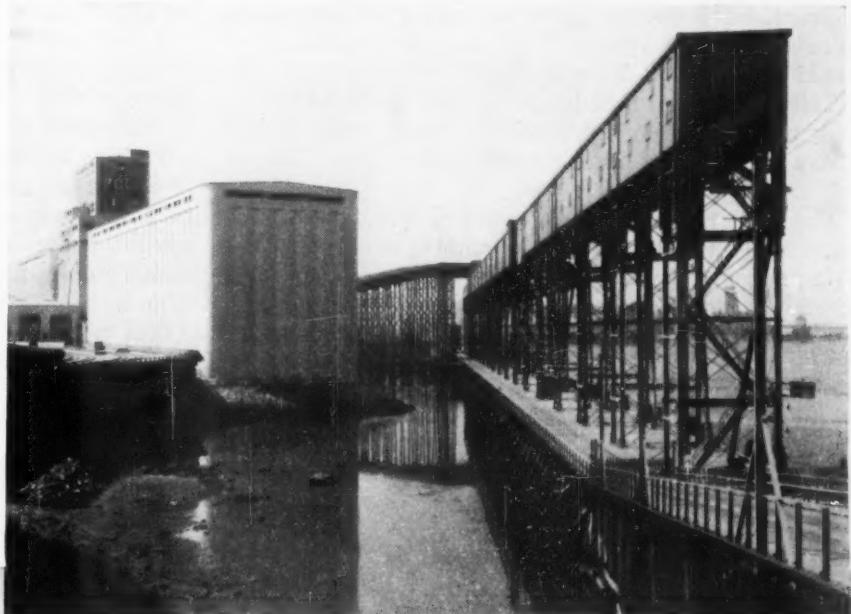
One of the Pool's three elevators at Vancouver. It holds two and a half million bushels

risks to speculator and speculative investor, the buyers of the farmer's wheat have worked on a small but certain margin. A second justification of the futures market, almost as important as hedging, is its service as barometer of grain values. Value is said to be opinion. Grain values on the futures market are the consensus of opinion of thousands of minds which meet at this particular price point. No substitute for this value barometer has yet been found which will do the work as well.

Affecting the price barometer

I MUST also say, in passing, that since the United States Federal Farm Board entered the wheat market as buyer and seller, with unlimited public funds, this price barometer has been materially impaired. The Farm Board, by entering the markets as a trader, has frightened a large part of the investment and speculative support out of the market.

The futures market cannot operate, cannot, in fact, live, under the menace of dominant operations on limitless government money. Under such conditions our price barometer is destroyed, because price is no longer the meeting-point of thousands of independent, individual judgments appraising



By storing wheat in its own and in private elevators and controlling the flow to market the Pool aimed to control price

NORFOLK

supply and demand, but is merely official opinion, with the danger of accumulation of grain and the counter-danger of dumping this grain.

Expressing my personal opinion, I will say that in my 25 years' study and observations of the market, I have never seen the wheat market so unstabilized and nervous as it is today and I attribute the present low prices and unsettled conditions in large part to the Farm Board's entry into the wheat market last February. From then on came a shrinkage of operations in futures markets. From then on came a shrinkage in wheat prices.

Influencing the open market

WE had a scarce grain crop. So did Canada. So did Argentina. In an open market this scarcity would have carried prices up sharply. The market, however, was weak. It became weak to the extent that buyers were driven away. Coming back to the Canadian Wheat Pool, I will add this further personal opinion that it, too, to a less extent, drove buyers away from the Canadian futures market. In this case, it was the menace of dominant quantity control, although private money and not government credit was behind it.

I have found it necessary to add these observations on future trading and dumping, because as the 1930 crop flows to market in large volume, the futures market has lacked its old ability to absorb the pressure.

This is true because the futures market is robbed of something of its breadth and strength and vitality in the face of government agencies with unknown policies and unknown prices.

The Pool's original aim was to control wheat prices. The instrument was to be "control"—control of the flow, control of large volume. Control of the flow, as we now know, does not mean control of the price. Control of volume may or may not give a considerable amount of control over price. Evidently, if the whole supply is controlled and no more can be obtained elsewhere, and consumers must buy, then competing consumers will bid up the price.

But if they can turn to substitutes they will not bid up the price. And if the supply is not controlled, evidently consumers will turn elsewhere for supplies. The Pool, in viewing the control problem, took the mistaken stand that it could achieve bigger results by selling direct abroad. This violates the fundamental economics of price making.

To illustrate. Cuba, a sugar exporting country, to bolster up a falling sugar market organized a 100 per cent, one-year sugar pool for the 1929 crop. This pool, called the Single Seller, proved to be a bearish influence and not a bullish. The first policy, like that of the Wheat Pool, was to withhold, and also like the Wheat Pool in 1929, the longer it withheld, the lower the prices declined.

When the Single Seller took control of the crop, the largest buyer of raw sugar in America quit the Cuban raw market and did not buy one pound in Cuba for three months. The effect of this sugar pool undoubtedly was to depress still further the price of sugar. This pool was accordingly dissolved before the year was up.

Fewer buyers of Pool wheat

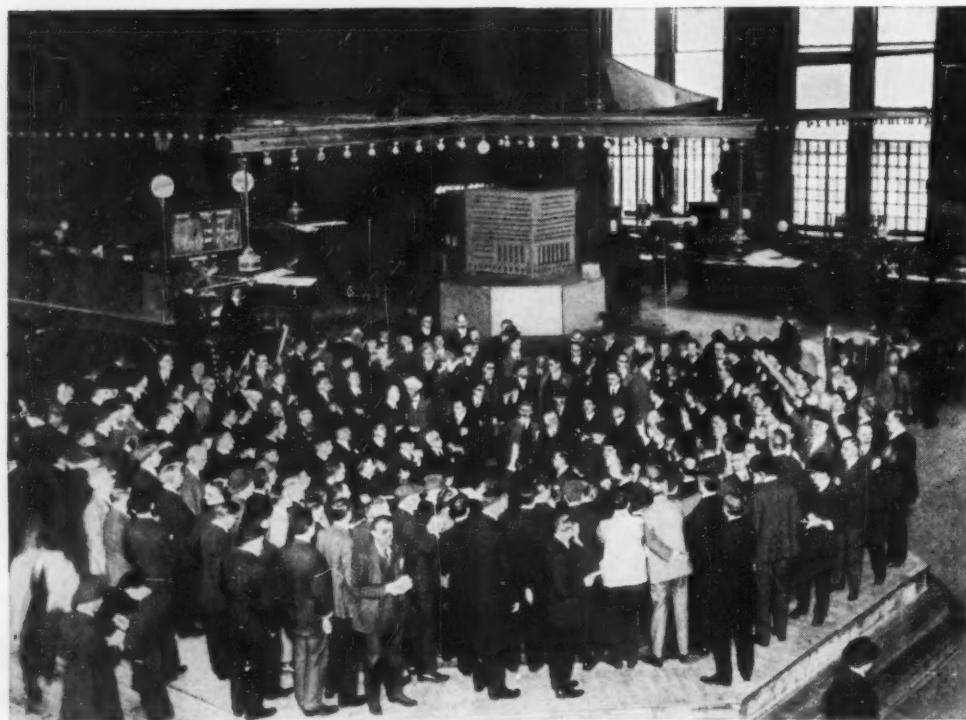
THE Canadian Wheat Pool, with its large stocks for sale, made a grave error in entering directly into foreign markets for the sale of this wheat. Former customers, dealers of long and costly and valuable experience in the export business, were dropped. This action turned former friends and cooperators into open business rivals and enemies. Under the former commercial system in Canada, competition was keen among both sellers and buyers of wheat. Crop pressure did not depress prices, because speculative investors in the futures market put on the brake against price decline. But the Pool has an announced policy of not selling to any middleman. This policy most radically reduces the number of buyers of Canadian Wheat.

The millers of Europe, therefore, have put before them daily offerings of wheat in the name of the largest holder of that wheat. These buyers reason, and correctly so, that since these selling offers represent a price at which the largest holder of wheat is willing to make sales, then it is natural to try to bid back a little less, and to hold off a little longer.

A miller in Rotterdam, for example, told me that he was buying the Pool's Wheat a little below the world's market price. In the months, May to October, 1930, it was common knowledge that the Pool was facing a buyer's market; buyers felt that the Pool in response to its offers, expected to get back counterbids at lower prices. For months, therefore, the price of wheat was slipping downward.

A "Single Seller," with a big surplus on hand is always a bear factor of the first magnitude. If this same amount were offered through a dozen houses in the natural process of exporting, with nothing known to the buyer about the price judgment of the largest

(Continued on page 146)



The wheat pit is the best value barometer but its usefulness is impaired when governments enter the market with unlimited funds

BROWN BROS.



ANNOUNCING A NEW CHEVROLET TRUCK

WITH LONGER WHEELBASE



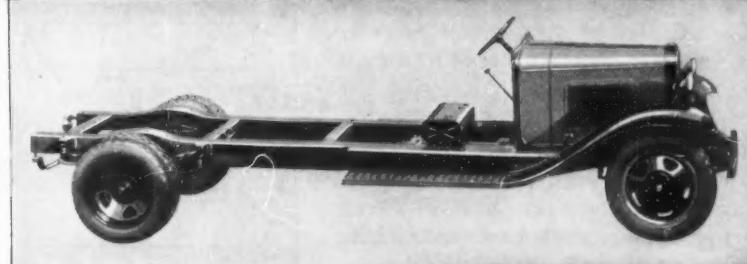
**For 1½-ton loads that require
unusually roomy bodies**

The business executive whose trucks handle lengthy, bulky merchandise, may now take full advantage of Chevrolet's low first-cost, low after-cost, modern six-cylinder performance.

A big, powerful, economical 1½-ton truck, capable of mounting a 12 ft. body, now completes the Chevrolet commercial car line.

This new Chevrolet truck combines, for the first time in commercial car history, extra long wheelbase, extra large loading space, six-cylinder performance—and a remarkably low price.

Among its outstanding features are: A new, rugged frame, over 18 ft. long, with space for a twelve



foot body behind the cab. A new frame, seven inches deep, to withstand extra strain imposed by heavy loads. Four long heavy-duty semi-elliptic springs, to support long bodies adequately and reduce sidesway. New dual rear wheels, with 30" x 5" truck-type cord tires. A 50-horsepower valve-in-head six-cylinder engine. A new special truck clutch with a 10" disc. A new, heavy-duty rear axle. A new front axle, with I beam, king pins, and spindles greatly strengthened.

Obviously, on a chassis as rugged and powerful as this, you can mount an unusually large, long body, and haul bulky 1½-ton loads, surely, easily, safely—and economically!

CHEVROLET MOTOR COMPANY, DETROIT, MICHIGAN
Division of General Motors Corporation

CHEVROLET SIX CYLINDER TRUCKS

How We Make the Map of Business

By FRANK GREENE

Managing Editor, *Bradstreet's*

THE MAP of the Nation's Business is a widely consulted index. In this article, which grew out of a talk before a group of advertising men, Frank Greene explains how the map is made each month and tells of some of its by-products

THE map of the Nation's Business is an effort to present in a graphical way a fair, but not an absolutely exact, idea of the state of business. To enable us to do this a good deal of matter must be digested. To get this matter properly assembled, a large number of men must contribute reports.

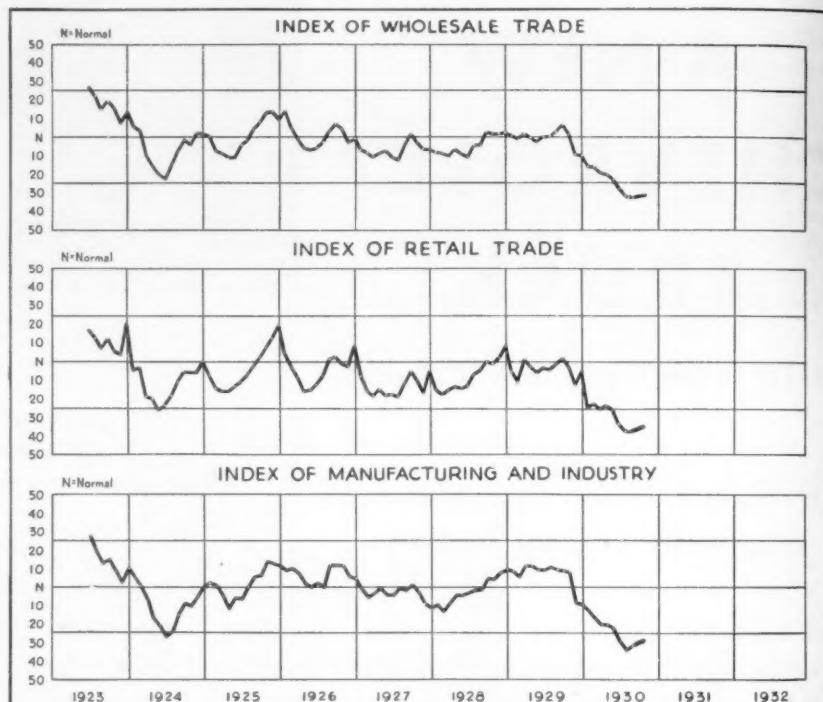
There are about 165 of these observers, located in a like number of cities. Each of these men receives a circular inquiry toward the close of every month as to the status of wholesale and jobbing trade, retail trade, industry (this including building), collections and, in the growing season, crop conditions, in his city's tributary area. He is asked to determine whether the conditions existing during the month are better than, equal to, or below the conditions ruling in the like month of the year before.

He checks one of a group of descrip-

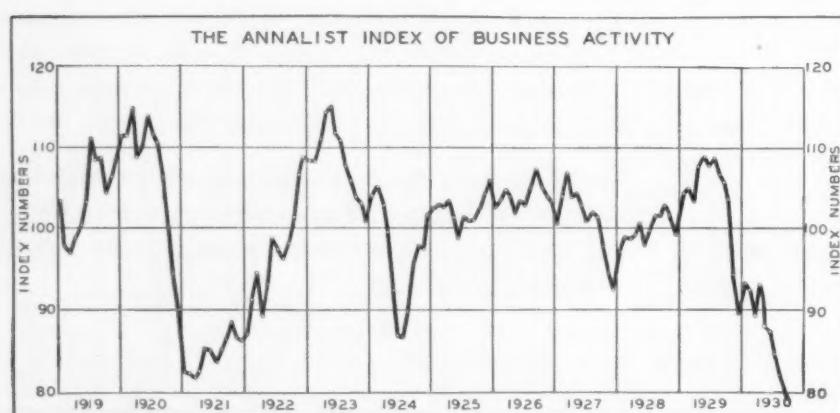
tive words properly applying to each classification, remarks the reason for the change or the absence thereof, and returns the blanks to my New York office.

There they are arranged by states and by cities within those states. A weighting for the words marked is applied and

an average of these weightings goes to make up the values, for the city and adjoining territory, of wholesale trade, retail trade, industry and collections. These constitute a species of local index numbers. Very much the same men contribute failure and liability returns, bank-clearing aggregates and building



These index numbers, or sums total of the local map ratings, are made up preliminary to coloring the Map of the Nation's Business



A comparison of this chart with Mr. Greene's industrial chart indicates how closely the latter forecasts statistical showings

permit values, besides turning in, when requested, quotations of commodity prices used in *Bradstreet's* various price indexes.

Shading the map

A BLANK map, at hand, is shaded as the area depicted is considered and reported on. Thus the results of the local observers' reports as to trade and industrial conditions, modified by the compiler where needed, take form upon the map.

This sounds rather complicated, but it is fairly simple when to the knowledge of the map compiler as to general mat-

"Dearest Walter with Hard-Boiled Egg"



O. HENRY tells the one and only lucky typewriter mistake

"Her typewriter began to rattle and jump like a strike-breaker's motor car," wrote O. Henry in his short story, "Springtime a la Carte."

And goes on to tell the tale of a quiet little girl of the '90's . . . and her very noisy old-fashioned typewriter. How, unable to find her sweetheart in New York . . . her money running low . . . she earned her meals by typing menus, and in the clatter and bang of her old-time typewriter she made the luckiest mistake ever made on a typewriter, and hammered out instead of "Dandelion Greens with Hard Boiled Egg," "Dearest Walter with Hard Boiled Egg." And fortunately "Dearest Walter" wandered into the restaurant, found his name on the menu . . . and they lived happily ever after.

But most typewriter mistakes are unlucky.

They keep you after hours. Annoy your employers. Even threaten the securest position, when long continued.

Noise . . . the racketty clatter of many typewriters is the treacherous breeder of mistakes. Your ears get used to the noise . . . your nerves never . . . mistakes creep in.

And noise shuts you up in "typewriter rooms." And noise draws crow's-feet at your eyes and taut lines at your mouth. Industrial health investigators have found that typists are more prone to ill health than any other office workers.

The REMINGTON NOISELESS Typewriter is quiet as a country evening. No strain on your nerves. Its touch is velvet . . . its action silky. And the new principle of design, the finer tolerances and workmanship that make it *noiseless*, also make it a *better* machine. Watch how clean and sharp your carbons are. What a perfect stencil it cuts. What a clear, exactly aligned letter it types.

Ask your office manager for a Remington Noiseless Demonstration. He, too, will welcome modern quiet instead of typewriter noise of O. Henry's day.

REMINGTON RAND BUSINESS SERVICE INC.,
Typewriter Division, Buffalo, New York.
Sales offices in all leading cities.



IT TAKES THE BEDLAM OUT OF BUSINESS

Remington Noiseless Typewriter

When phoning or writing a REMINGTON RAND office please mention Nation's Business

ters is added the judgment of the observers in the field and their suggestions as to the various conditions in their territories.

It should be borne in mind that the marking thus set forth, while mainly for the city where the observer is stationed, also considers areas distant therefrom but in the city's trade sphere. This, of course, tends to give a general shading to an entire area but that is inseparable from the fact that minute differences in marking of areas are not possible, even if desirable.

Errors sometimes creep into the chart, but these are what I have termed them and are by no means the results of deliberate prejudice. Many readers will recall the miniature Map of the Nation's

year before. This is not a statistical showing; it is merely psychology, if you wish. The "normal" line in each chart represents the average of the index numbers reported each month in each classification over the period of seven years that have elapsed since I began making the map.

Reports checked by statistics

THE wholesale and retail trade lines hardly can be checked for accuracy by any other chart of the kind that I know of. The industrial chart line, however, can be checked by any one of a dozen somewhat similar charts, which usually employ iron, steel and coal production figures, carloadings, cotton consump-

ties have been kind enough to advance the opinion that, time of preparation considered, there seems to be "something on the ball."

Another friend has said that the impressive thing about the industrial chart, to him, is that the individual judgments of 165 men, combined, should come so near to the crystallized statistical showings made up perhaps a month or more later.

We are familiar enough with the sudden drives to get a cross section of trade opinion at some particular time, but here is something novel, in that these inquiries have been made steadily through seven years and, allowing for the work being done on the instant, so to speak, the results have rather closely forecast the results of accepted collections of statistics.

There is another item to be considered in reporting trade and industry that, perhaps, may be of interest. This is the course of prices of commodities in recent years.

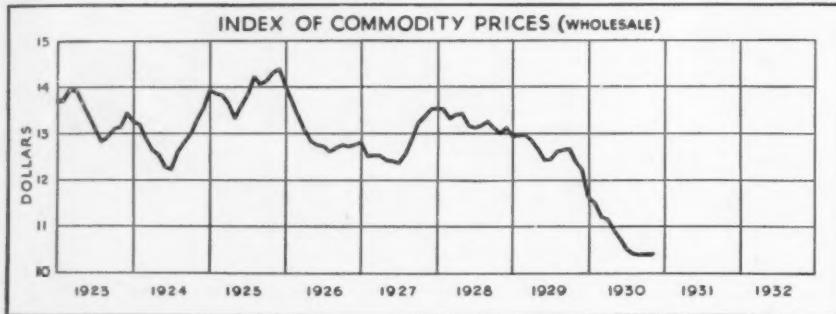
This chart, reproduced on this page, is worth considering in any review of trade and industry, as trade and prices depend upon each other a great deal. Further, while it properly may be claimed that demand and supply may make prices, it is none the less true that prices have vast influence upon both demand and supply. I should add that if this theory is followed by further analysis, it is discoverable that the governing factor in cost of production is the price to be obtained for the article produced rather than the reverse, as is often believed.

A running price index

IT SHOULD be explained that the information upon which this price chart is based is actual, not averaged, prices collected on the first of each month, and is employed in the compiling of *Bradstreet's* monthly index of commodity prices, the oldest continuously compiled index of prices in this country. This index, made up of the totals of the prices per pound of 96 articles of common use, is what is called a running index, that is, without a base year. What is rarer, it is an unweighted index, that is unweighted except in so far as the very nature of the articles selected constitutes a weighting.

Experience has convinced us that so close is the dependence of trade and industry upon prices that in some instances we have seen the course of prices foretell future trade movements. For instance, in the summer of 1921, at the

(Continued on page 70)



In making up this commodity price chart Mr. Greene employs the actual prices per pound of 96 articles in everyday use

Business offered by the editors of NATION'S BUSINESS some time ago in an effort to satisfy every district. Except for boundary lines of the states, the map was all white. There was a good deal of humor in that map, and some sarcasm, too.

Now let me call attention to one of the by-products of the making of the map, which, as the years have moved on, has resulted in the accumulation of a large fund of information as to the ebb and flow of trade and industry as a whole. I refer to index numbers, that is, the sums total of the local map ratings within the wholesale and retail trade groups and the industrial group, made up as a preliminary to the work of coloring the map.

An average of opinions

THE upper figure on the first page of this article shows a chart line for each of these three activities. No great mathematical stunt is here portrayed, of course. The chart lines are based merely on the opinion of observers, doing this work month after month the country over, who set down their beliefs as to how things stand as compared with the

tion, electric-power production, and other items. This rule-of-thumb, hear-say, or what-you-will, industrial chart line of mine closely resembles at least three chartings of industrial movement of recognized merit. One of these, The Annalist Index, is reproduced for comparative purposes. It should be borne in mind, however, that this charting is made ready a few days after the first of each month, whereas the orthodox industrial charting is frequently not ready for weeks.

As to the two trade-movement chartings, these are ready as soon as the industrial charting. The former two seem to bear a fairly close family resemblance to the last, except in years when, as in 1926 and 1927, marked changes in trade channels were in the making.

I make no particular claims for these three chart lines, but the fact remains that they seem to run fairly true to whatever comparisons are available and have constituted a guide to me in discussing trade conditions from week to week.

Exactitude is specifically not claimed, but as indexes of drift, of ebb and flow, in short, of movement, I have derived a deal of aid from them. Several authori-

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MAKE a map of the places where the Multigraph can serve your business . . . and you'll cover every department if you make the map complete. But you'll double-star the sales department because the Multigraph today is the key to many a current sales problem.

With Multigraph equipment you can easily and economically select and cultivate those markets which offer sales at a profit. You can bring prospects to the closing point before your salesmen call. You can put sales information into the hands of both salesmen and customers while the



facts are fresh, timely and effective.

Selective selling and the Multigraph have proved an aid toward more profitable selling, more satisfied salesmen, and better collections.

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The Addressing Multigraph, at one revolution of the drum, writes the letter, fills in a perfectly matched name, address and salutation, signs the letter, and addresses the envelope.



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Speed up your business with

The MULTIGRAPH

Finding Work for the Jobless

By ALFRED ALBELL

WHEN New York City decided to establish a Free Employment Bureau there was little public confidence in the step. However, in ten weeks the Bureau found jobs for over 13,000 workers. In doing so it learned much about New York's unemployment situation and about unemployment in general

In its first five weeks of operation the New York City Free Employment Bureau found jobs for 6,798 workers.

"The fact that we found these jobs," says Edward C. Rybicki, director of the agency, "proves that the labor crisis can be solved. There were jobs for these idle persons all the time. It merely required an organization to concentrate on the search for vacancies."

Mr. Rybicki admits that he is an optimist. But the fact remains that men now have jobs who didn't have them and those jobs were procured by an agency that took up its task August 15, without precedent to follow and with only the barest public confidence.

Unemployment was admitted but many persons remembered how an earlier demonstration of unemployment in the Bowery had broken up in hasty flight when an elevator manufacturer climbed on a platform and offered work for every man present.

Would a Free Employment Agency meet a similar reception or could it actually do useful work?

This was the question when the Agency opened its offices occupying one floor of a large building at 54 Lafayette Street. It was the question for which I sought an answer when I called there six weeks later.

I learned that, in addition to the workers it had placed, the Agency had registered 40,000 unemployed and was doing this in a field that private employ-



"There are jobs for unemployed. The problem is to find them," says E. C. Rybicki, shown here interviewing an applicant for work

ment agencies for the most part did not tap.

I found the Agency to be an efficient, smoothly operating machine, and I found in line, waiting for jobs, some thousand men—not the type who had fled from the Bowery demonstration, but rugged, able-bodied men, young men, men who were reaching an age when work no longer meant speed in production, but, for the most part, men who could tackle the average job efficiently if given the opportunity.

Labor expert for director

CHOICE of a director was one of the first and most important problems in setting up the Agency. Mayor Walker, on whose recommendation the Agency was established, and Public Welfare Commissioner Frank J. Taylor selected Mr. Rybicki. He was with the Department of Labor, aiding in organizing

labor bureaus during the war, and had served as conciliator and arbiter in labor disputes.

As Agency director, his first action was a survey of the labor situation in New York City. Study of records of organized labor and statistics provided by the 1,200 agencies making up New York's Welfare Council indicated that 250,000 skilled workers and a similar number of unskilled workers were unemployed.

With this knowledge of the size of his problem, Mr. Rybicki opened his office with a staff of 30 trained workers. The day after the office was opened it was besieged by applicants for jobs. They began to gather in front of the building at one o'clock in the morning. As late as the third week they were lining up as early as four o'clock in the morning. Nearly a thousand men were usually in line when the office opened at 7:30.

The Agency operates on the stagger

Lost...thousands of dollars in fractions of ounces!



"The old axiom that says an ounce of prevention is better than a pound of cure is particularly true in packaging. Even a fraction of an ounce waste or overweight per package or container can easily run into large sums lost yearly. We use Pneumatic Machines as a preventative against waste and inefficiency in packaging our product."

MR. HOYT R. SHEHAN,
VICE-PRESIDENT, WILDRONT COMPANY

AS Mr. Hoyt R. Shehan, Vice-President of the Wildroot Company, Inc., so aptly points out, there are few operations in your plant where profits can be lost more quickly than in packaging. A fraction of an ounce overweight, a slight waste in filling each bottle, package or container can easily run into thousands of dollars of lost profit yearly.

America's largest producers of packaged goods, have a method of avoiding waste and assuring the highest efficiency in their packaging operations—Pneumatic Machines. They find in Pneumatic Machines the ideal balance of speed, accuracy and dependable operation that they cannot duplicate by any other method.

Send for the book "An Interview." It gives you a concise yet all-inclusive picture of the Pneumatic Scale Corporation, its experience, accomplishments and ability to serve you.



PNEUMATIC MACHINES

Carton Feeders—Bottom Sealers—Lining Machines
—Weighing Machines (Net and Gross)—Top Sealers
—Wrapping Machines (Tight and Wax)—Capping
Machines—Labeling Machines—Vacuum Filling
Machines (for liquids or semi-liquids)—Automatic Capping
Machines—Automatic Cap Feeding Machines—
Tea Ball Machines.

PNEUMATIC SCALE PACKAGING MACHINERY

PNEUMATIC SCALE CORP., LTD., NORFOLK DOWNS, MASS.
Branch offices in New York, 26 Cortland St.; Chicago, 360 North Michigan Ave.;
San Francisco, 320 Market St.; Melbourne, Victoria; Sydney, N. S. W. and
London, England

plan, shifts of workers coming in at different hours in the morning. Hours are from 7:30 in the morning to 6:30 at night.

For this immediate interest in the Agency, Mr. Rybicki is indebted to a well organized publicity campaign. Newspaper editors, realizing that a great human problem was involved in the establishment of the Agency, gave considerable space to discussing it. In addition, three radio stations offered their cooperation and at every opportunity the Agency's work was described over the air.

Finally it got abroad that the Agency was showing definite results. In the fourth week it found employment for 1,530 men; in the fifth week it placed 1,755 more.

The question, then, appeared to be not, "Does the Agency work?" but "How does it work?"

Simplified system of registering

"THE first thing a man does is register," Mr. Rybicki explained. "We have no complicated system. Everything is simplified. We do not inquire into distant pedigree. We rely chiefly on our ability to size up a man's appearance and personality.

"The applicant registers his name, age, nationality, specifies his trade or training and then we consider him ready

to fill a job. With from 7,000 to 8,000 men going through the Bureau's auditorium daily, there is no time for long interviews nor for correspondence with prospective employers.

"For instance, the other day we had about 2,500 men in one big hall, waiting for jobs. The Board of Transportation, a department of the city government, telephoned that it wanted 500 unskilled workers for subway jobs.

"One of the clerks merely barked out the order, and, with complete order, 500 men were selected and signed up for the work. In this case the applicants had to be citizens of New York State, as the state laws prescribe that citizens of the state must be given preference in filling jobs.

"On the other hand, placards have been posted in various parts of the hall. Those seeking clerical work line up in front of a special card. Those seeking work in the trades take their places before still another sign, while the unskilled laborers gather in another quarter. When a request comes in for a certain type of work, it is relayed to that particular place to be filled.

"Our major problems are registration —squads of clerks are kept tremendous-

ly busy registering the applicants—and the task of finding work.

The city gives jobs, too

"THE response from the various city departments was most encouraging. Commissioner Albert Goldman, chief of the Department of Plants and Structures, recently informed me that he would provide work for several thousand men on the Tri-Borough Bridge which will link the boroughs of Manhattan, Bronx and Queens. The work will require two years to complete. The city has appropriated eight million dollars for this project.

"The registration, though it continued to be high, tapered off with the beginning of the second month and the clerks got it under control. But the Bureau vigorously continues its hunt for jobs.

"We have twelve field agents assigned to various sections of Greater New York. They canvass every nook and cranny where there might be a demand

PACIFIC & ATLANTIC



UNDERWOOD & UNDERWOOD

One thousand men are frequently in line when the New York Free Employment Bureau opens at 7:30 a.m. Inside, they line up before placards showing the work they are fitted to do



Caught ... red handed

Nearly every plant has some operation that is "in the red" today because it is being done by slow, inaccurate hand labor that wastes too much, costs too much.

Yes, probably you, too, have it and know it—but think you can't do anything about it because no machine has ever been built to do the job. Yet a number of other manufacturers who once thought the same way are making new profits and better products today. With our help they have eliminated the needless hands that spilled the "red ink" of lost profits.

For them we have designed and built special machines — machines that have eliminated waste, speeded production, improved their product. For some of them we have modernized old machinery, speeding it to new output.

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for labor. These workers are specially trained and obtain a high percentage of returns each day.

Their success and the widespread cooperation they have received in all quarters is astounding.

No industrial plant is passed up. Our field agents arrange to cooperate with the personnel departments of hotels, garages, hospitals, department stores, mills, warehouses and transportation lines.

Heads of real estate firms have cooperated. For them we supply janitors, building superintendents, doormen, hall attendants and general help.

We try to make most of the approaching seasonal occupations. For instance, as moving time approached, we obtained the cooperation of every large moving firm in all five boroughs. The demand for extra men is great at moving days. Although the jobs do not last long, they help to relieve suffering and starvation. Such a short-time job may tide a man over into something permanent.

No desire for farm work

AS FOR farm work, I have noticed that the men back away when a call comes in for a handy man, gardener or general farmer. In the fall an upstate farmer sent in a request for 12 apple-pickers. Filling that order was one of our most difficult tasks.

This leads me up to the point about transportation. I have noted that men are reluctant to accept jobs in distant localities because they have to pay traveling expenses, and run the risk of not liking the work when they get there. In the case of the apple-pickers, we induced the farmer to send down a truck for the men. That helped considerably.

We are trying to run the city's employment Bureau on a budget, at a minimum of expense to all concerned. However, I would not be surprised if the Department of Public Welfare should coax special appropriations for traveling expenses. After all, this Bureau's purpose is to find jobs and solve a humanitarian problem.

My first month's figures show that it cost the city exactly \$8,000 to run its own employment bureau. I believe the outcome is most gratifying.

Although I am a dyed-in-the-wool optimist, I am not blind to the prevailing state of affairs. The most perplexing phase of the unemployment problem concerns the middle-aged man who has been thrown out of work by inventions and the decadence of certain industries.

"Twenty-five per cent of the men and women registered at this office come under the middle-age classification. They have come to be regarded as old men whom nobody wants.

"This is indeed a gigantic and fateful crisis. What are we going to do with the thousands of middle-aged men and women who are unemployed, either because of general depression in industry or because the vocations they have followed have become antiquated or extinct?

Problem for industrial leaders

"MY solution would be to place the problem at the doors of the great industrial leaders. Later I shall recommend to the captains of industry and the champions of labor that they meet to study this problem and adopt a program by which steps may be taken to educate this class in the new fields of enterprise. Somewhere there must remain a use for this seasoned manpower."

Mr. Rybicki went on to say that the old-age question has not been very much in evidence in the employment Bureau's work. Not more than one per cent of the applicants are past 60. New York State's old-age pension law will provide for needy men more than 70. The state has appropriated \$12,500,000 for this work, of which \$5,000,000 will be distributed among New York City applicants for the pension. This will give about \$250 per applicant.

Although privately operated employment agencies at first seemed to resent the municipal bureau, it was soon discovered that there was no conflict between the two, that they served entirely different demands.

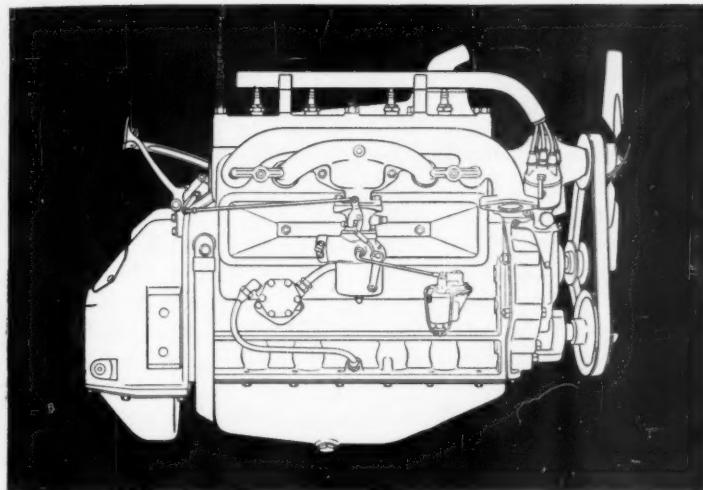
Neutral in labor disputes

MR. RYBICKI was asked what his office would do if a strike broke out in the fur or needle trade industries. Would he send in several thousand men to break the strike?

"This Bureau," he said, "will be neutral in all such matters. Under no circumstances would we interfere with labor disputes."

One of the prime factors, and one which Mr. Rybicki stresses, in his labors to find a salvation for the unemployed, is the element of courtesy. Kind treatment for the applicant, with a sympathetic understanding of his plight, and civility from the man who is considering his employment, he believes, will have an enormous psychological effect in buoying up the courage of the disheartened and help vastly in unravelling unemployment problems.

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INSPECT, TOO, THE FULL-FLOATING REAR AXLE, RUGGED 4-SPEED TRANSMISSION, 4-WHEEL INTERNAL HYDRAULIC BRAKES AND MANY OTHER NOTEWORTHY FEATURES OF THIS NEW 1½-TON TRUCK. BUY IT COMPLETE WITH STANDARD OR SPECIAL BODY.

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When Oil Was a Curiosity

PETROLEUM and ice, no later than our own Civil War days, were "curiosities of commerce," in the words of an English author of that time. James Hamilton Fyfe was the author, and in his book, "Merchant Enterprise," published in London in 1864, he writes of the "curiosities."

"While speaking of Canada we may mention two commodities in which she deals largely, and which may be justly termed curiosities of commerce. One of these is petroleum or rock oil, a bituminous oil, which has been generated in the bowels of the earth from the remains of animals and plants. It oozes from limestone cliffs or rises from the soil in natural or artificial wells at a high temperature, and has long been known in the vast palaeozoic basin of North America, where it is found over a region extending from Gaspé, Canada East, to Texas.

"In 1844 it was discovered in Canada West, but it was only in 1857 that it was sought after as an article of commerce. A company was then formed, and lands purchased with that object. The distillation of asphalt formerly practiced was abandoned, wells were sunk, and powerful pumps employed. The wells of Wyoming now (1864) yield from 600 to 800 gallons of oil per diem. The 'oil diggings' at first attracted almost as many speculators as the gold diggings; but while the excitement concerning them has cooled down, the regular organized working of this new source of wealth has largely increased. In 1862 upwards of 1,000 oil wells were in active operation in North America and a considerable quantity was shipped to Europe.

"Ice is, owing to the difficulty of transportation, one of the last things which one would expect to find an important article of trade, yet such it has become. Ice and snow from the caverns of Vesuvius and Etna have long been bought and sold in South Italy. It is also many years since the luxurious citizens of London and Paris were enabled to cool their wines with ice from Norway. The ice trade of North America is, however, of comparatively recent date and owes its origin to the increased rapidity of ocean navigation. It is now extended, not only to Europe, but to India. Cut into blocks about 12 inches square, and packed in sawdust, ice is, to the amount of 12,000 tons a year,

conveyed with very little loss through melting, and in a state of beautiful transparency, to Calcutta. A large proportion of the supply comes from the lakes of Canada."

Author Fyfe also writes of two staple commodities of his day and ours, coffee and sugar, and reveals some rather interesting historical data concerning them. Of coffee's introduction to England he says:

"The use of coffee as a beverage cannot be traced further back than the fifteenth century, when it gradually spread throughout Arabia and Turkey. It was first introduced into England in 1652 by a Greek, Pasqua Rosee, in St. Michael's Alley, Cornhill, 'at the sign of his own head.' For 20 years and more, however, a strong prejudice prevailed against the berry. Bluff gentlemen of the old school deplored the effeminacy which preferred

'A loathsome potion, not yet understood, Syrup of soot and essence of old shoes, Dasht with diurnals and the books of news,' to strong ale or old wine. But in spite of libel and invective the beverage steadily rose in favor and the public coffee-houses became important institutions. . . . Tea reached this country ten or 12 years after coffee."

Demand created for sugar

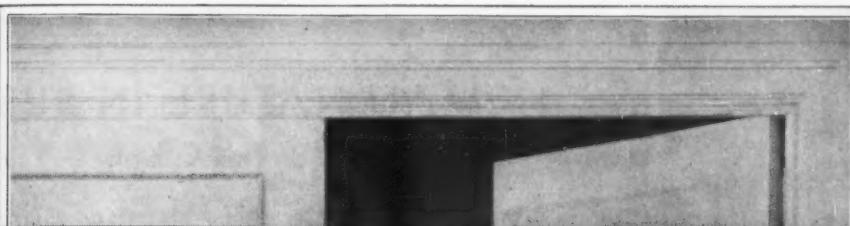
OF the introduction of sugar to English teacups, Fyfe says:

"The use of tea and coffee of course created a demand for sugar. As early as the fourteenth and fifteenth centuries this article had been imported in small quantities into England by the Venetians, who obtained it from Nubia and India; but honey was then, and for long afterwards, as it had been with the ancients, the chief ingredient employed for sweetening liquors or dishes.

"As soon, however, as tea and coffee became fashionable, sugar was in great request, and the importation of it continued to increase as the consumption of these beverages spread from the upper to the middle and then to the lower classes, so that the humblest old woman in the kingdom at length enjoyed the pleasant 'cup that cheers but not inebriates.'

"In 1700, 10,000 tons of sugar sufficed for the annual wants of the kingdom, whereas at the present day (1864) we require nearly 450,000 tons."—C. H.





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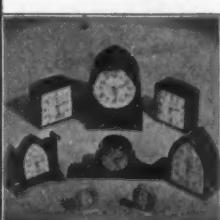
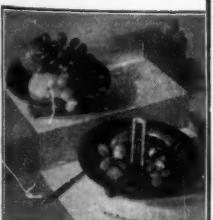
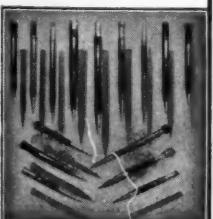
it. Cigarette boxes of many kinds, tobacco jars and lighters—desk sets, pens and pencils—sewing boxes and clocks—thermos bottles, trays and bowls, are a few typical items.

Almost any design or form may be reproduced in Bakelite Molded. Articles come from the mold with a hard, lustrous surface that requires no buffing, enameling or lacquering. It is made in a number of colors and shades, greens, browns, reds and others, and also in jet black. Bakelite Materials have found a place in practically every industry, and their use invariably improves quality and appearance.

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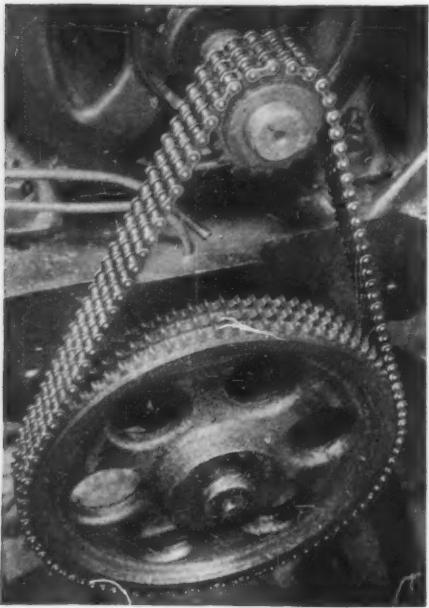
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HUMAN NATURE IN BUSINESS

By Fred C. Kelly

IT doesn't just happen that big mail-order houses and other firms that sell by catalog have the indexes to their big books in the middle rather than at the front or rear.

The reason is that when the index is in the middle, or thereabouts, many people hunting for it encounter pages containing pictures of various articles that interest them and they buy more than if the index were more easily found.

DAVID FRIDAY, famous economist, recently remarked:

"Anyone trying to make a profit from the stock market should remember that a broker is a person to get money *from* and not to give money *to*. If you're in the habit of receiving margin calls from your broker and giving him more money, then you should realize that there is some serious fault in your system."

IT just this minute occurred to me that there is a logical reason why any wise person in the stock market should be prepared to give his broker considerably more margin money than the broker expects. Since the usual margin requirement is what nearly everybody puts up that is the very reason it is not enough.

The only way that large, powerful interests can get stock cheaply is by inducing the public to sell at the wrong time and to do this they must force prices so low that the margin with which the *average person* started out is consumed.

IN a recent intelligence test among employees in a big industrial plant, 25 men rated one another on eight different traits, including intelligence. Then the average rating of all for each man and his own rating of himself were computed for comparison.

It appeared that the more intelligent persons were able to judge more accurately, with the exception that each man's prejudice in favor of himself blinded somewhat his judgment in regard to his own more desirable traits. The less intelligent the man was, the more he was inclined to overestimate his own more desirable traits.

Nearly everybody was inaccurate in judging his own degree of sociability and

his own sense of humor. The more conceited the man was, the less accurate were all his estimates of himself.

THERE'S a magic touch to success in business. Once a man becomes successful, it is twice as easy to be still more so. Everybody is prejudiced in his favor and ready to help.

Consider, for example, E. J. Kulas, head of Otis Steel Company and of Midland Steel Products. The latter company began to make money when Kulas organized it and that led Cleveland bankers to commandeer Kulas to save Otis Steel. In five years, under his direction, the value of the common stock increased from less than \$5,000,000 to more than \$40,000,000.

A little while ago it was announced that Kulas had been elected a director of the Cleveland Worsted Mills Co., whose stock had been low for a long time. The next day the price of that stock advanced eight points. In other words, the magic of success began to work, just at the merest suggestion.

INDICATIONS are that the time is coming when cash customers may be taken just as seriously as credit customers. But not just yet. Stores still wait on credit customers first—because clerks know them by name.

Not long ago, a certain retail shoe company wished to locate a pair of perfect feet. A clerk in one of the branches happened to recall a man who had bragged about having feet free from corns or any other ailment. The man had bought shoes in that same place 28 years. He always wore the same make and always paid cash.

Usually he wore his new pair out, and left the old ones. Hence the store never had occasion to ask him his name. After the store had awarded a prize to a man with only one perfect foot, the customer with two perfect feet walked in and was shocked to learn that he might have had the prize if his name had been on the company's books.

As a consequence of this episode, the entire chain of stores has adopted a system for obtaining the names and addresses of cash as well as of credit customers. They hadn't thought of that before.

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The Map of the Nation's Business

By FRANK GREENE

Managing Editor, Bradstreet's



OCTOBER was nearly everything that September was, having seen a renewal of stock-market liquidation with consequent new low levels of prices; the same condition in many commodities, with a new low registered by the monthly index numbers; a reactionary trend in iron and steel output and prices, the latter particularly in that barometric element, steel scrap; continued low rates for money on call and for commercial use; alternate spells of warm and cold weather with the general drift naturally toward lower temperatures; some freak storms such as semitropical rains in some areas, and severe snow storms along the northern frontiers of New York and Pennsylvania.

The first week of November also saw a political overturn which upset the party in power, drastically reducing existing majorities in both houses of Congress

LOOKING at the net results for October in trade and industry, it may be said that wholesale and jobbing tended to lag while industry on the whole actually receded. Retailing, on the other hand, held up as well as could be expected and did not appear to recede as did primary operations

and causing remarkable changes in a long list of states in the northern half of the country from New England to the Rocky Mountains. What looks like a sort of bloc government for the next two years apparently impends in the absence of decisive majorities in either great party.

It is not surprising that some of these happenings acted as a drag upon the course of general business, which was hardly up to the anticipations that a year-long depression had not made any too optimistic. Looking at the net results

in trade and industry, it may be said that wholesale and jobbing tended to lag while industry, taken as a whole, actually receded. On the other hand, retail trade, which had assumed an active air for a while in answer to a cold snap maintained a rather leisurely course throughout but at the same time held up quite as well as could be expected and certainly did not appear to recede as did primary operations. Collections also held a slight gain registered early in the period under review.

This mixed movement in trade and industry may have been responsible for the statements by several observers that there had been a "sidewise movement" in business.

There is fairly abundant evidence that distributive trade actually has thrown off the lethargy of the late summer and is to that extent better situated than it was. So, too, there seems to be fairly good evidence that, although trade in

necessaries—food and, to a considerable extent, clothing—monopolized a good part of what improvement was shown, some lines of manufacture, such as silks, cottons, woolens and radio, actually progressed. Silk manufacturing set up new high records of consumption of raw material or, as described in official reports, "approximate deliveries to mills."

As to these examples of progress, it may be said that there was apparent recognition of the fact that prices of the raw materials of these industries had reached levels low enough to tempt manufacturers to buy. To the extent that this was done, therefore, it may be

reasonably asserted that these lines are no longer "scraping the bottom."

There were, it is true, some lines—shoes, leather and furniture—which did not fare as well as did the textiles. There were still others, such as coal, which derived a sort of fitful activity from spells of cold weather and ebbed or flowed accordingly.

Lighter lines forge ahead

IT MIGHT be said that lighter lines seemed to move rather better than the heavier industries which may have reflected the advance of the season in a

slower movement. For many years there has been repeated the legend or tradition that the difference between good and poor trade is only 15 per cent. Just what basis for this saying exists or has existed is hard to determine, perhaps as hard as to ascertain the truth of the celebrated one that 95 per cent of all men in business ultimately fail.

This is all aside from the point we are trying to make here as to how much business is off from a year ago. If one looks at a few lines he will find that automobile output in October shows a decrease of 60 per cent from a year ago. Steel ingot production shows a 40 per cent decrease and pig iron output 39.6 per cent. He may back these up with decreases in September from September of 1929 of 21.9 per cent in building permits, 32 per cent in iron-ore output, 21 per cent in car loadings, 26 per cent in rubber consumption, 32 per cent in cotton cloth yardage, 27.7 per cent in tire output, 28.8 per cent in raw wool consumption and so on.

It would be hard to find a common denominator for all of these things, but if we take some of the index figures of trade as compiled for a few years past, (see article on How We Make the Map of Business on page 50) we learn that the industrial falling off from a year ago is 37 per cent, the decline in wholesale trade is 30.8 per cent and that in retail trade is 20.8 per cent.

How much business is off

IT MAY be submitted here that the statement that business movements are 21 to 37 per cent off from a year ago does not seem so improbable allowing for the fact that prices have declined nearly 20 per cent since October 1, 1929, and that the movement of the cruder forms of merchandise have probably fallen more rather than less than the indicated price level itself.

To turn from these reflections about the possible extent of the present trade and industrial reaction to considering some particular features, we might note that, with the advance of the season, it is possible to weigh up some of the crop results of the year. Take the eight leading cereals, for instance, wheat, corn, oats, barley, rye, rice, buckwheat and grain sorghums. The yield of these in 1930 promises to be about 4,800,000,000 bushels against 5,151,000,000 bushels in 1929 and 5,788,000,000 bushels in 1928—decreases of 7.2 and 17 per cent respectively. When it is recalled that grain prices as shown by the index numbers are 30 per cent below 1928 at this date and 28 per cent below

Business Indicators

Latest month of 1930 and the Same Month of 1929 and 1928
Compared with the Same Month of 1927

	Latest Month Available	Same Month 1927=100%		
		1930	1929	1928
<i>Production and Mill Consumption</i>				
Pig Iron	October	78	129	121
Steel Ingots	October	82	136	140
Copper—Mine (U. S.)	September	86	120	119
Zinc—Primary	October	82	102	101
Coal—Bituminous	October*	103	113	112
Petroleum	October*	95	114	103
Electrical Energy	September	118	124	112
Cotton Consumption	September	59	85	78
Automobiles	October*	66	163	170
Rubber Tires	September	74	103	151
Cement—Portland	September	92	98	102
<i>Construction</i>				
Contracts Awarded—36 States—Dollar Values	October	57	75	102
Contracts Awarded—36 States—Square Feet	October	49	82	108
<i>Labor</i>				
Factory Employment (U. S.) F. R. B.	September	86	105	100
Factory Pay Role (U. S.)—F. R. B.	September	82	110	102
Wages—Per Capita (N. Y.)	September	98	103	101
<i>Transportation</i>				
Freight Car Loadings	October*	85	106	105
Gross Operating Revenues	September	83	100	98
Net Operating Income	September	78	101	101
<i>Trade—Domestic</i>				
Bank Debts—New York City	October*	111	186	133
Bank Debts—Outside	(X)	97	119	108
Business Failures—Number	October	119	102	113
Business Failures—Liabilities	October	155	86	97
Department Store Sales—F. R. B.	September	100	114	110
Five and Ten Cent Store Sales—4 Chains	October	105	110	105
Mail Order House Sales—2 Houses	October	138	156	125
<i>Trade—Foreign</i>				
Exports	September	75	103	99
Imports	September	66	103	93
<i>Finance</i>				
Stock Prices—30 Industrials	October	104	170	132
Stock Prices—20 Railroads	October	84	122	102
Number of Shares Traded	October	127	275	190
Bond Prices—40 Bonds	October	97	94	98
Value of Bonds Sold	October	100	130	88
New Corporate Capital Issues—Domestic	October	26	125	97
Interest Rates—Commercial Paper, 4-6 Months	October	74	153	138
<i>Wholesale Prices</i>				
U. S. Bureau of Labor Statistics	September	87	101	104
Bradstreet's	October	75	93	97
Fisher's	October	86	98	103
<i>Retail Purchasing Power, July 1914=100%</i>				
Purchasing Power of the Retail Dollar	July	1914=100%	Sept.	Sept.
Purchasing Power of the Clothing Dollar	1930	1929	1928	
Purchasing Power of the Food Dollar	65	61	61	
Purchasing Power of the Rent Dollar	65	60	58	
	69	62	63	
	65	63	62	

X Excludes Boston, Cleveland, Chicago, Los Angeles, Philadelphia, Detroit, San Francisco, and New York.
* Preliminary
Prepared for *Nation's Business* by General Statistical Division, Western Electric Co.

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1929 some idea may be had of the extent of the declines that the farmer is facing in both price and yield.

It may be recalled that last spring the savings banks were reported to be getting increased deposits. This was variously construed, some of the comment being to the effect that there was plenty of money in the country and so on. At the time, it was suggested that some of these deposits represented money withdrawn from business or from the money market where rates were low and placed in the banks to get the four and four one-half per cent interest thus afforded.

Some months ago savings-bank men called attention to the fact that a great deal of what they thought was non-savings money was offering, and some of the bankers were inclined to discourage the tendency to use the banks for this type of financial storage. The report of the Savings Bank Division of the American Bankers' Association made public early in November indicates that deposits in the fiscal year ending June 30, 1930, had increased by \$267,180,000, thus reaching the highest point ever recorded and contrasting with a decrease at the similar date a year ago of \$195,305,000. On June 30 this year savings deposits totalled \$28,485,000,000. The number of depositors also gained slightly.

Whether this money was money withdrawn in the preceding year, invested in the stock market and later returned to the savings bank or whether it was non-savings money taking advantage of savings banks rates is still a matter of discussion. The fact is to be noted, however, that a number of the savings banks in Greater New York agreed some time ago to reduce the rate from four one-half to four per cent with the idea of discouraging this latter class of depositors.

Wheat still low

THE lower trend of prices among the great staples particularly during the past year which has been responsible for the downward movement of the indexes has had some repercussions. Wheat, as yet, has not displayed much rallying power and is about 50 cents a bushel below a year ago. This seems due to liberal stocks here and good reports

from the crops in the southern hemisphere.

Cotton, on the other hand, after sinking to the ten-cent level rose rapidly during the last ten days of October, and advanced 1½ cents in a few days. This, in conjunction with the disposition to keep down mill overproduction and the efforts to get an agreement among the mills to abolish night work plus the curtailment policy enforced for some months past, proved a sharp stimulant to raw cotton, to cotton goods and to prices of both.

It is not generally appreciated, however, that foreign buyers were also attracted by the low price of the great southern staple, but it is nevertheless a fact that although foreign demand for our wheat, good in June and July, sagged off later, that for cotton has been large and for September the increase in the value of cotton exports even at the very low prices paid was double the increase shown in all exports for September over August.

Reports as to retail trade for October are yet rather fragmentary but chains

reporting—some 48—indicate a decrease of 4.8 per cent in October from the like month a year ago. Indications, however, are for a fairly good gain over September of this year. For the ten months of the year, a gain of about one-half per cent over 1929 is indicated, this comparing with an increase of 25.8 per cent in the ten months period of 1929 over 1928. The latter year gained 16.9 per cent over 1927 which in turn saw an increase of 10.6 per cent over 1926.

This very slight change from a year ago after three years of continual increase seems evidence alike of the growth of the chain store idea and of the permanency of this method of selling goods.

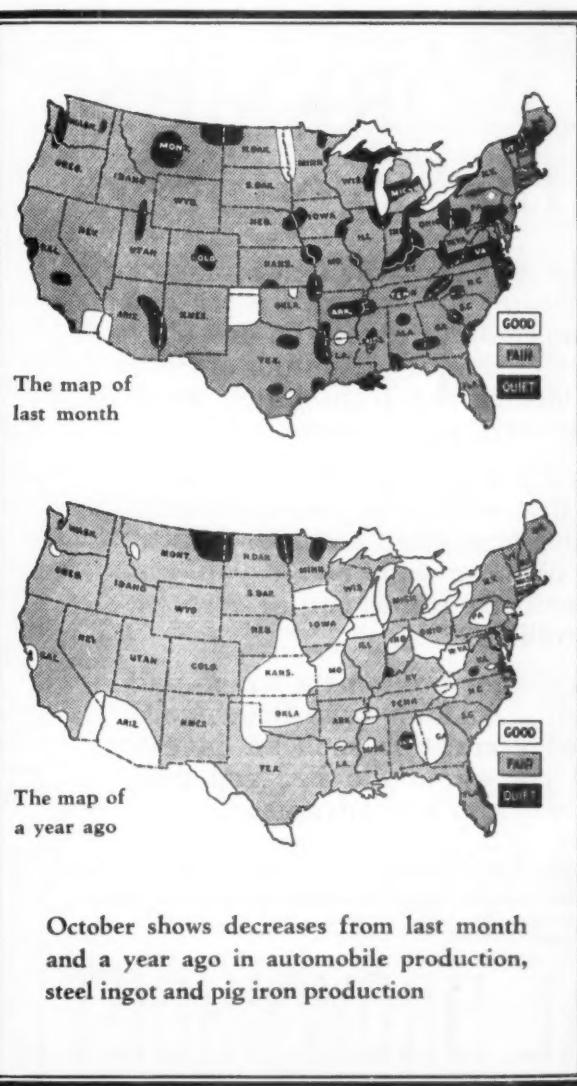
Department store sales down

DEPARTMENT store sales for October decreased 8 per cent from a year ago and the decrease for the ten months to date is 7 per cent below 1929. In the ten months period a year ago a gain of 3 per cent was shown over 1928 which in turn increased one per cent over 1927, the latter likewise gaining a small fraction of one per cent over 1926. Here will be seen continuous increases, small though they were, in the three years preceding 1930 which latter year, however, promises to cancel a good portion of the previous increases.

Copper reached a new low of 9½ cents in October, and good buying resulted. Talk of a combination of copper interests to bring about world curtailment was started by a visit here of African and other foreign producers who were said to be conferring with American interests about curtailment. Canadian and African mines were said not to have followed other interests in reducing output.

Employment reached a new low level in October and there has been an apparent awakening of the public to the fact that a hard winter was on the way. A number of public and private movements have been started to alleviate suffering.

The September figures of employment compiled at the Bureau of Statistics in Washington showed 20 per cent decrease in pay rolls. Building and allied trades showed the greatest quiet, with permit values for September and nine months the lowest since 1921.





TIRIED WORKMEN Are Not Big Producers

A good production manager would not think of putting a skilled operator to work on a worn out machine. Yet thousands of men who are only partially efficient are curtailing the output of costly machines—men dead tired from lifting loads which human beings were never meant to handle.

Wherever you find low production costs today, you will also find that workmen are being paid largely for using their heads and not their brawn. And, in thousands of these same plants you will find Industrial Brownhoist cranes cutting costs by doing the heavy handling.

Business today calls for equipment which will quickly pay for itself. An Industrial Brownhoist locomotive or crawler crane is such an investment. Let us tell you about the size and type which will do your work to best advantage.

Industrial Brownhoist Corporation, General Offices, Cleveland, Ohio

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INDUSTRIAL BROWNHOIST

When writing to INDUSTRIAL BROWNHOIST CORPORATION please mention Nation's Business

How We Make the Map of Business

(Continued from page 52)

depth of deflation, we saw this price index turn up in advance of the industrial movement.

In doing this, by the way, it also anticipated, by a full month, the movement of the stock-market averages, which are so often regarded as indicators of the future course of trade and industrial activity.

Without attempting to make any invidious comparisons, I may say that last year, when the stock market was making some new high records, the commodity price index refused to get excited and really went somewhat below the 1928 level.

As to the causes for the differences in some years as compared with others in the matter of anticipating movements, I suppose that an abundance of money at low rates might be deemed one cause for the stock market running counter to commodity-price movements and, according to some people, proving the claim that the stock market is an industry by itself.

Commodities show conditions

AS TO *Bradstreet's* index anticipating trade movements, may it not be that intelligent men, dealing in each of a number of commodities whose prices are included in this index number and carefully watching individual products, are as quick to sense a coming basic change in the conditions that rule these commodities as are some other unquestionably intelligent men who read the signs in the stock market and act accordingly?

I recall here that a friend of mine, an acute observer if ever there was one, has recently stated that he looks to *Bradstreet's* index to signal a rise in iron and steel prices.

As to the down-hill movement in the past year or more, I feel that while falling prices may be a discouragement to buying, fallen prices should certainly be an aid to the restoration of confidence and a stimulus to consumption which may have been checked at higher levels.

Thus in reading signs in general business or speculation there is definite help to be had through keeping a sharp eye upon this very sensitive barometer of price movement, the *Bradstreet* index number.



Ounces of Prevention Tons of Saving

BENJAMIN FRANKLIN, in his famous "Poor Richard" proverb, underestimated the value of "an ounce of prevention." When it happens to be an ounce of fire prevention, such an ounce is worth not only "a pound of cure" but a great many pounds of property owners' dollars.

Here is the way it works. When a group of property owners, insured in a mutual fire insurance corporation, exercise care to prevent fire, the reduced fire losses benefit every policyholder directly.

And the reason for this is that the saving effected by a mutual company is passed on to the policyholders, in annual dividends.

A mutual company is owned by its policyholders and operated for their good exclusively.

The dividend savings received each year by mutual fire policyholders run into many millions of dollars.

To the individual property owner it means a saving of 20% or more on the cost of his fire insurance.

The mutual plan of fire insurance, and it is the oldest plan in operation, is outlined and explained in an interesting booklet, available on request. Address Mutual Fire Insurance, Room 2206-G, 180 North Michigan Avenue, Chicago, Illinois.

An Unparalleled Record

75 leading, legal reserve companies under State supervision constitute the Federation of Mutual Fire Insurance Companies. The oldest Federation company was founded in 1752. Five others are more than 100 years old.

Of the remaining companies—

9 are between 75 and 100 years old
10 are between 50 and 75 years old
30 are between 25 and 50 years old
20 are between 10 and 25 years old

The Federation companies are protecting property to the extent of six billion dollars—have assets in excess of ninety million dollars—have returned to policyholders savings of more than one hundred and thirty millions of dollars.

Mutual Fire Insurance

FEDERATION OF MUTUAL FIRE COMPANIES

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COURTESY BUREAU OF INSULAR AFFAIRS, WAR DEPARTMENT

Each rural school in Porto Rico is surrounded by a small farm, cultivated by the boys under the direction of a practical farmer

A Rift in Porto Rico's Clouds

By ART BROWN

HURRICANE, pestilence and starvation have brought dark days to Porto Rico. But this island of ours is on the way to better things. Essentially an agricultural community, Porto Rico may become before many years one of America's most important out-of-season vegetable gardens

GO. THEODORE ROOSEVELT in his annual report, recently made public, tells of a critical situation in Porto Rico. Sixty per cent of the people are out of employment. Economic conditions are bad. Poverty is widespread.

Porto Rico is still suffering from the hurricane which devastated the Island in 1928 and left a third of its population destitute. But Porto Rico was suffering hardships before the hurricane. Its basic trouble is overpopulation. Overpopulation has bred poverty, and other things have followed—ignorance, starvation, disease.

Governor Roosevelt, after studying the situation first-hand, suggests a remedy. "We must have more intensive

agriculture," he says. "We must in addition have industries."

Porto Rico is already making some headway in agriculture. The Government is buying land from large landholders and is using it for homesteading purposes, giving small farms to industrious people. It has a good Agricultural Department, is developing demonstration farms and establishing farm bureaus.

Government teaches farming

"EACH rural school," says Governor Roosevelt, "is surrounded by a small farm, cultivated by the boys under the direction of a practical farmer. Each boy is encouraged to have a small truck garden at home."

Carlos E. Chardon, Porto Rico's commissioner of agriculture and labor, predicts that if Porto Rico continues to make the same sort of progress in farming it has begun to make, that before many years the Island will be one of America's most important out-of-season vegetable gardens.

"Porto Rico planted more acres of fruits and vegetables last year than ever before in any five-year period," he says. "During the four winter months we export fresh fruits and vegetables to the States at a price which nets us a good profit. That income will help our people buy the things they need."

The freight-rate structure now permits Porto Rico to put fresh fruit and vegetables into the New York market in competition with the Gulf States. Whether this condition will continue, it is difficult to say. But there still is another thing which will make Porto Rico increasingly important as a garden patch for the States. It can supply the New York market with grapefruit, oranges and tomatoes a month ahead of the production season in the Gulf

States, and can do the same thing again for another month after the production season in the Gulf States is closed.

For a number of years Porto Rico has been experimenting with Irish potatoes, Commissioner Chardon says, and has found that in the upper hills, where the nights are unusually cool, it can raise good potatoes during the winter months for export.

The winter months in Porto Rico are ideal for growing other things—eggplant, cabbage, peppers, strawberries and cucumbers. In fact, Porto Rico's growing season extends from one end of the year to the next.

It is possible to raise not merely one crop a year, but two or three. It is hard on the soil, to be sure, but the farmers are beginning to see the value of fertilizers—and can afford to buy fertilizers from the States so long as we buy fresh fruits and vegetables from them.

For the benefit of those who may be a bit rusty on their geography, Porto Rico is a possession of the United States. It is one of the West Indies, 1,400 miles southeast of New York City, is nearly rectangular in shape, about 100 miles long from east to west and 35 to 40 miles wide. Its area is slightly under 3,600 square miles and it has a population of 1,500,000.

Mountain ranges as high as 4,000 feet and broken by unusually fertile valleys extend across the island from east to west. Transportation in these mountains used to be one of Porto Rico's big problems, but the Government remedied that with a network of fine roads.

Most profit in vegetables

GOOD transportation, as a matter of fact, is one of the reasons Porto Rico is able to raise fruits and vegetables for export. The government roads have opened the fertile valleys in the mountains and brought them closer to market. Another reason Porto Rico is raising fruits and vegetables is that its inhabitants are beginning to realize that there is more money in this crop than in any other.

Sugar brings them a gross income of about \$230 an acre. It requires wide lands, special machinery, mass-production methods. Tobacco brings \$400 an acre. Fruits and vegetables bring a gross income of about \$700 an acre.

It is estimated that more than a hundred thousand acres are available for raising orchard and garden products. At present—in spite of the increased production of these crops in the last year—only ten per cent of the potential acre-

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"It's the Twisted Teeth that Lock"

When writing please mention Nation's Business

age is being used. The fruit and vegetable industry in Porto Rico did not come about overnight. It has been a gradual development during the last 15 years. But it has just recently gained a new impetus, taken on a new importance, in light of what it can do to help the people help themselves. It is now the Island's fourth industry, surpassed only by the production of sugar cane, needlework and tobacco.

The fruit and vegetable industry is the only agricultural industry in Porto Rico showing a gain. The sugar-cane crop is valued at 56 million dollars a year, and tobacco at 10 million dollars. All the available sugar lands are now in use, so there can be no great gain in the value of that crop. Fruit is now rated as a seven-million-dollar-a-year crop, but it promises to pass tobacco before many years, and may even give sugar a run for first place.

All these figures are Commissioner Chardon's. "The fruit market in the States is growing," he says. "People there are eating more and more fruit each year. With good transportation at low rates and good refrigeration such as we have today, our distance from New York doesn't hamper us."

The strawberry crop is a new one for Porto Rico, he says. It has been developed in the last two years. Strawberries can be shipped fresh to the States and can compete handily with berries from Cuba and Mexico because Porto Rico pays no tariff.

Porto Rico has set out to make the fruit-eaters of the States consumers of citron-peel and chayote. Most of the citron-peel is exported in brine and is candied after it reaches the States. Some

of it is now being candied locally—another new industry.

Chayote is a yellow squash about as big around as a French roll and twice as long. It grows on a vine and has a high content of certain vitamins. That is why it is becoming popular and fashionable in the States. We are beginning to import chayote from Mexico and from Central America as well as from Porto Rico, but Porto Rico has lots of chayote vines and is planting more, and here again it is not worrying about competition.

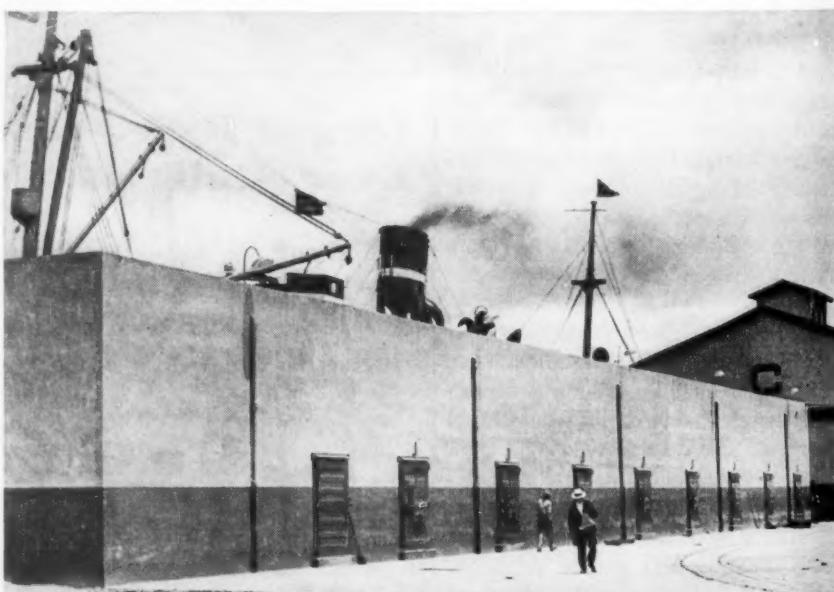
Research in agriculture

"AGRICULTURAL science is being developed in Porto Rico more than in any other tropical country," says Commissioner Chardon. "The National Research Council, consisting of 80 scientific societies in the United States, has selected Porto Rico as the location for a graduate school of tropical agriculture. Cornell University is cooperating with Porto Rico, and is planning to endow an agricultural college there.

"Agricultural development and experimental work on the Island are helping bring back to this hemisphere crops indigenous to Central and South America, crops which have been taken to other countries and developed there.

"Rubber trees, for instance, native to the Amazon regions, were taken to the Malay Peninsula by the British. Now the world looks to the Malay Peninsula for the bulk of its raw rubber.

"Cacao trees, the seeds of which are pulverized to make cocoa and chocolate, were taken from their Central American home to British possessions in



Pending shipment to New York fruit is kept in condition in this precooling plant on a San Juan pier

HARWOOD HULL



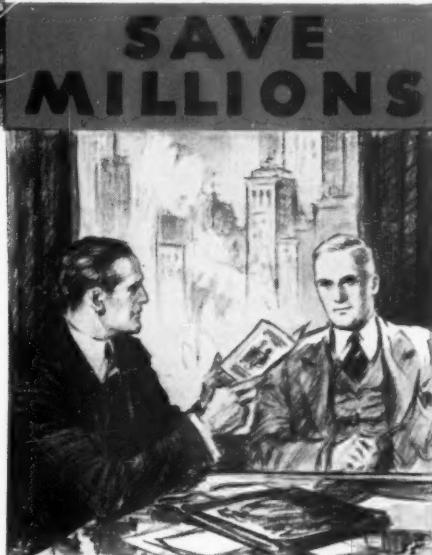
MODERN business demands speed...accuracy...efficiency. Machine methods must replace hand methods. Mistakes must be eliminated. Time must be saved.

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of the time formerly required. It heads statements and ledger sheets—fills-in collection forms—imprints factory job tickets—writes dividend and payroll checks—imprints insurance premium notices, gas, electric, and telephone bills, envelopes and circulars—prints and duplicates letters and forms.

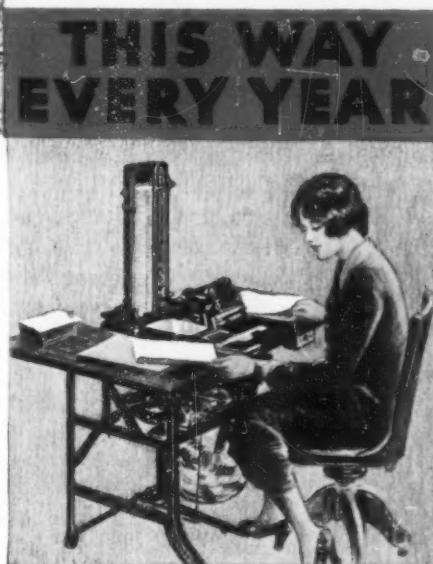


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How many forms are now being written in your business by laborious

hand methods? How many costly mistakes are being made? How much time is being wasted? How many sales opportunities are being missed through failure to get your selling messages out regularly, systematically, always on time? In the modern, efficient, economical method of handling such operations lies the way to reduced expense and increased profits.

The Addressograph representative in your locality will be glad to study your name and data writing needs and show you exactly what economies Addressograph will effect in comparison with the methods you are now using. He is at your service without obligation.



Class 5200 Duplograph produces 500 personalized letters an hour with name and address, salutation, body of letter and date. Price \$300 to \$350. Other duplicating machines \$37.50 to \$2,025. Prices f. o. b. Factory.

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We Are Making Things "HOT" FOR COLD FEET

IT MAY seem difficult to imagine any relationship between what women are wearing this winter and thousands of tiny little motors that left our assembly lines last summer. Yet, it is these motors which have made it possible for the most cold-blooded of the sex to abandon red flannels and sally forth, snug and warm on bitter evenings, clad in filmy tulle and not much else. Unseen, unheard beneath the hood of milady's car, this tiny power-plant creates a hot-house atmosphere for satin-shod feet and powdered shoulders—a heater that really *heats* the entire tonneau. It is a marvel of ingenuity, requiring less current than a headlamp, never needing oil and sturdily built to last as long as the car. Like all Robbins & Myers motors, it is specially made for its job—designed, engineered and executed by an organization that has been making small motors for every use for a third of a century.

If you have a problem in electrical-motored machinery come to Robbins & Myers. We offer you the facilities of a completely modern plant and the experience of 32 years' precision manufacture in designing, building and applying electric motors, generators, fans and electrical appliances

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1878



1930

FANS, MOTORS, HAND AND ELECTRIC HOISTS AND CRANES

Africa. Today the British possessions there supply 60 per cent of the world's cocoa.

"Porto Rico's new interest in agricultural development will be of great practical help not alone to itself but also to the tropical countries of the Western Hemisphere. It will help bring the native crops of Latin America home again.

"There are a government experimental station and ten demonstration farms on the Island. Among other things, we are experimenting with long-staple cotton, poultry and dairy products. But our experimental farms are most interested right now in encouraging the production of fruits and vegetables for export to the States. Porto Rico is buying its imports in expensive markets, and it must have something which can be raised inexpensively for export.

"It imports about eight million dollars' worth of rice from the Gulf States each year, two million dollars' worth of kidney beans from Michigan and New York, and nearly four million dollars' worth of meat and dairy products."

Location for new industries

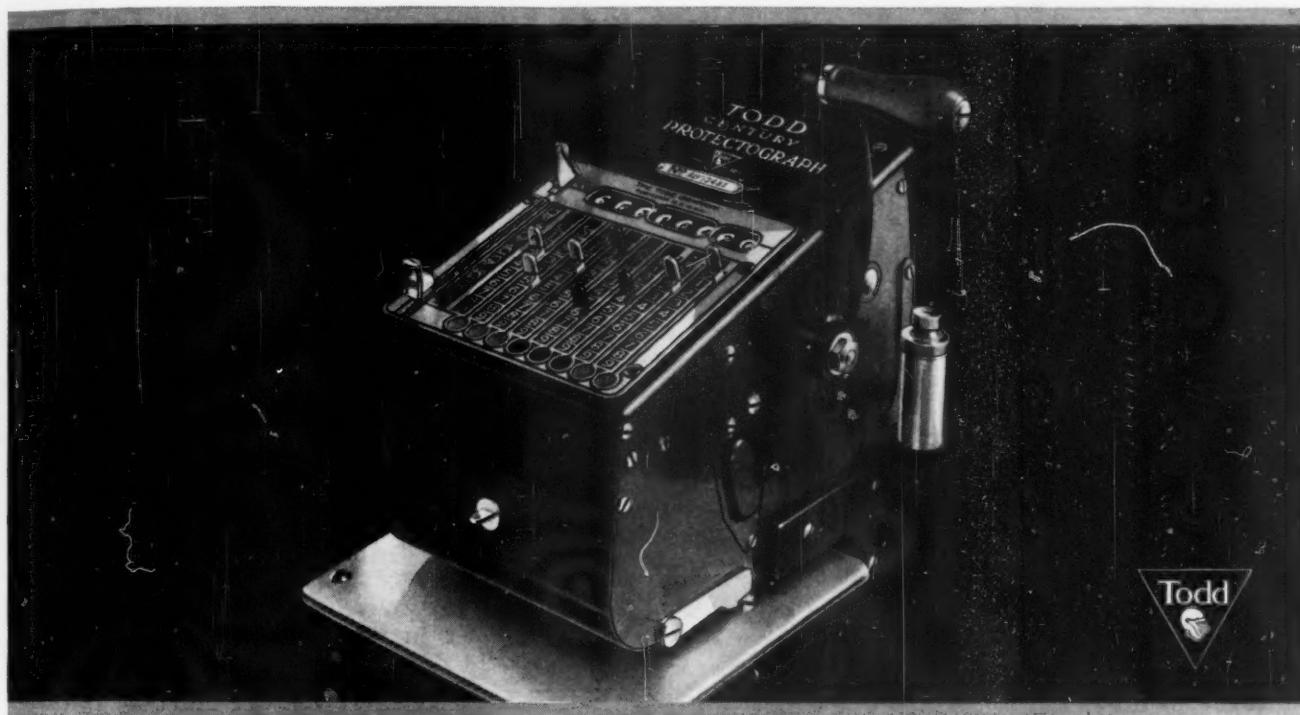
THERE are opportunities for new industries in Porto Rico. One in particular is for the manufacture of jellies and marmalades. The United States is now importing thousands of dollars' worth of jellies each year from places other than Porto Rico and is paying a tariff of 35 per cent on them. This would be eliminated on shipments from Porto Rico, of course.

Hundreds of thousands of oranges which could be put to use are now going to waste in the hills. Also there is plenty of land available for the growing of guava trees. Guava fruit furnishes guava halves, guava paste and jelly. The trees develop to full maturity in two years and produce two crops a year.

In addition to natural and economic advantages for the development of industries on the Island—advantages such as the abundance of labor, hydroelectric power and a water-haul to world markets—new industrial enterprises are now exempted from taxes for ten years.

Here then, it seems, is a rift in the black cloud that has shadowed Porto Rico for so long. Beginnings have already been made toward development of the opportunities the Island affords. Wisely followed through, Porto Rico should indeed become the "rich port" that Ponce de Leon envisioned when in 1508 he gave the name, afterward applied to the entire Island, to the harbor where now stands San Juan, the capital.

THE CENTURY SAVES DOLLARS AND CENTS IN WRITING DOLLARS AND CENTS!



THE Century Protectograph will effect direct economies in your office by its speed, ease of operation and versatility. An experienced operator can write 1000 checks an hour—for miscellaneous amounts. Where amounts are repeated, still higher speeds can be attained by merely pulling the handle again and again, without clearing.

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Progressive organizations, in this country and in 64 other nations, have made the Century standard

office equipment. Fundamentally, for the protection it affords. For the economy of time and labor it makes possible. And for the distinction which its handsome two-color imprint adds to checks.

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WHAT I'VE BEEN READING

By WILLIAM FEATHER

President, the William Feather Company, Cleveland, Printers and Publishers

SINCE I didn't have time or inclination to read much this month, I am glad I did read "The Marks of an Educated Man"¹ by Albert Edward Wiggam. Many books are currently published that deal with Russia, the League of Nations, branch banking, and world finance. Such books supply topics for good after-dinner conversation, and to be familiar with their content is a mark of distinction.

Wiggam's book is about you and me and our neighbors. It compels the reader to think about himself. Intelligent self-examination is a useful pursuit. "What's wrong with me?" is a good question to ask, although it may bore your friends. But when you are alone it's a better question to ponder than "What's wrong with Russia?"

In an early chapter, Wiggam refers to Gilbert K. Chesterton who once said that it is more important for a landlady to know what her boarder believes than to know his income. If the landlady knows how her boarder's mind works, she may accurately predict what he will do about his rent. This thought can be applied to Russia. If one could really discover what the Russian people believe, one might decide what risk is attended in granting them credit.

Most of us when we are alone and thinking about ourselves allow our thoughts to drift into daydreams. Wiggam advises us to "cross-examine our daydreams." Such practice will ruin many pleasant half-hours, but it should provide excellent mental calisthenics. Insanity, says Wiggam, is simply daydreams that are not cross-examined.

Shrewd advice is offered on the art of getting along with other people. Bright people, we are told, must learn to be tolerant and patient with slower people. Also, we are advised that we can make more friends in a week by



William Feather

getting ourselves genuinely interested in other people than we can in a year by trying to get other people interested in us.

WIGGAM thinks that the educated man should link himself with a constructive program. What may such a program include? It is suggested:

To try to get everybody a job.

To try to place every man in the job he loves to do best, because that is the job he can do best.

To develop the science of forecasting economic conditions.

To try to promote more democracy in industry and more aristocracy in politics.

To promote the spread of mental hygiene.

To seek to discover and promote human genius.

To promote eugenics.

to thousands of men and women who have gone through high school and college and are wondering what education really means to them.

This is not the kind of book that wins the approval of sophisticated intellectuals. Its point of view is too homely, understandable, and wholesome for that. It is written for people who still think that life is worth living, even in the United States.

HENRY FORD is probably the most interesting man alive. No man in his own lifetime was ever so widely known. In the remotest parts of the world American travelers are asked, "What about Ford?" The curiosity about his personality, his genius, his habits, and his opinions, is insatiable. Editors may weary of him, but their readers do not. Editors dare not deny the front page to him, because he commands universal interest.

One day, after reading perhaps the tenth book about Ford, I wrote to one of his biographers and suggested that some one should write a life of Ford that would present a complete picture of the man. So much has been written in glorification of his achievements that there is danger that he will go into history as a superman, free from mistakes and weaknesses.

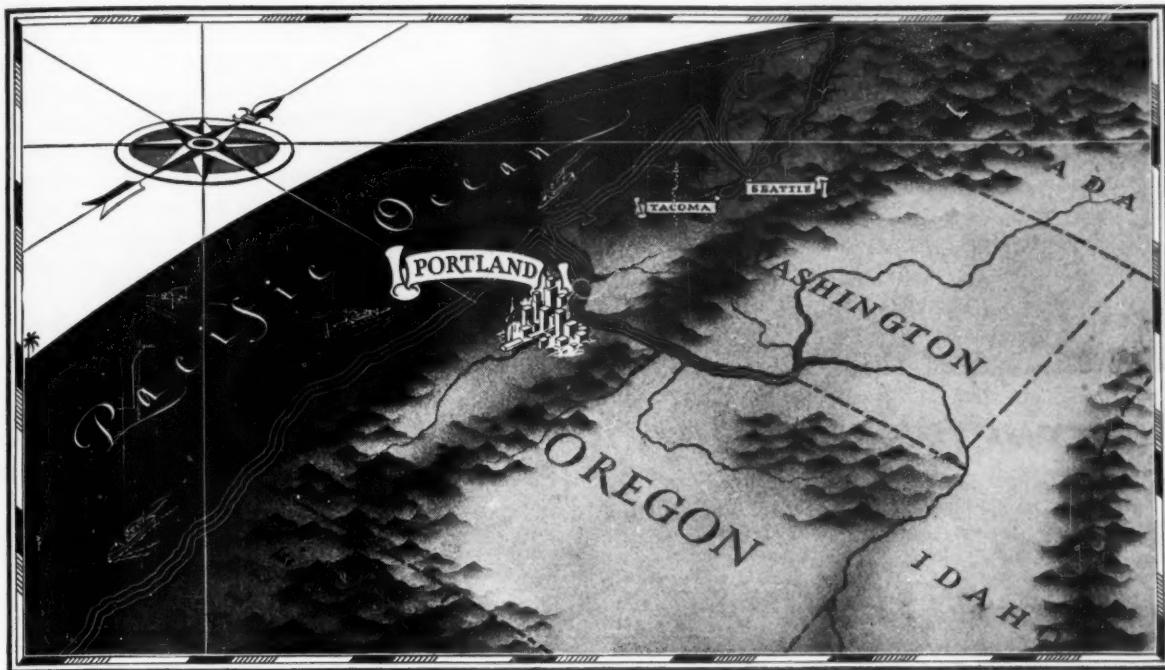
Enough has already appeared to indicate that he has been beset by obstacles and difficulties, as are all men. He has made mistakes and corrected them. He has done many foolish things and tried to forget them. Therefore the world awaits a thorough-going appraisal of his contribution to engineering, manufacturing, marketing, and finance.

Does Ford invariably practice what he preaches? Was the closing of his plant while he changed his model a costly blunder? Could this lay-off of thousands of employees have been avoided? Was James Couzens the pioneer in promoting

¹The Marks of an Educated Man by Albert Edward Wiggam. Bobbs-Merrill Co., Indianapolis, \$3.

IT seems to me that "The Marks of an Educated Man" will bring stimulation

THE PACIFIC ERA IS HERE



Come ON-TO-OREGON... and Portland

PORTLAND . . . the seaport . . . distributing center of the Pacific Northwest . . . a busy metropolis of 301,890 people (1930 census), and the commercial capital of a contiguous market of 2,500,000 population, stands strategically at the gateway to the Columbia River Basin. Here begins the only water level route to this Empire of over 250,000 square miles; an area equal to all New England plus New York, New Jersey, Delaware, Pennsylvania, Ohio and Indiana.

Ships from all ports unload their cargoes at Portland, returning with lumber, wool, fruit, salmon, wheat, and other products. Four transcontinental railways, oceanic, coastwise and river shipping, a network of auto freight lines, 2700 miles of hard surfaced highways, give quick and economical access to the

Pacific Northwest, the intermountain, and national markets.

And here living is at its best! Portland is a home city—a veritable garden spot caressed by a mild, animating climate.* Outdoor sports and gardens are enjoyed the year 'round by a home loving people (44.6 per cent of Portlanders own their own homes), who earn \$304 more per annum than the nation's average.

Oregon's climate* and environments are conducive to more productive and efficient labor, healthier and higher standards of living. Portland manufacturers in several lines familiar with labor conditions elsewhere, report that the higher efficiency of workers here is equal to a saving of 15 per cent in labor costs as compared to the cost of labor in eastern and middle-western industrial centers.

Today, time and distance are no barriers to

men. Why not live as you would wish to live, where *you would like* to live? The man who has attained a measure of success, who has initiative, foresight, and ambition, can achieve a greater degree of success and enjoy a fuller measure of the worthwhile things in life in Portland.

"The Era of the Pacific" has barely begun. The next theatre of national development will be on the Pacific Coast. A rich market now, it is growing bigger and richer every day. Oriental trade is forging ahead. Capital in increasing amounts is developing Oregon's basic resources. The eyes of industry are turning Westward! Get in on the ground floor!

Interesting and authoritative Industrial Data will be sent with the compliments of the citizens of Portland. *Write for it.*

* PORTLAND'S ANIMATING CLIMATE

Scientists agree that man is more active physically at a temperature of 55 to 70 degrees than when it is colder or warmer and that he does his best brain work when outdoor temperature is around 40°. They also agree that Pacific Northwest climate fits these specifications exactly. Portland's average temperature for the past 10 years for January has been 39.6 degrees and for July 67.2 degrees. A seasonable climate without excessive humidity—it is animating and energizing, without extremes of heat or cold.

Fewer Fog Hours at Portland Harbor Entrance

Port	Distance to Ocean	Annual Fog Hours
Seattle	117 miles	1091
Portland	110 miles	541
San Francisco	10 miles	1089
Los Angeles	24 miles	841

10 year average

PORLAND, OREGON

The fresh water port of the Pacific



ON-TO-OREGON, Inc.
1390 Public Service Building
Portland, Oregon

Name _____
Firm _____
Address _____
City _____ State _____

Gentlemen:
Please send me FREE, Industrial
Data on Portland and Oregon.

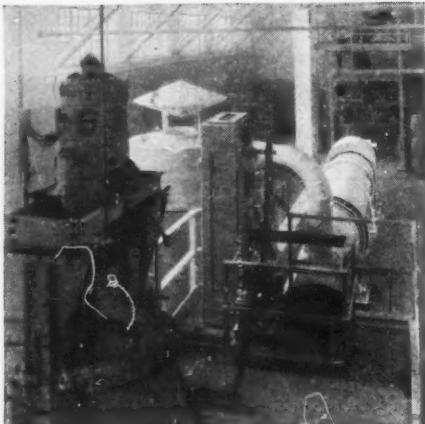
Ships drop their barnacles while they load in Portland's fresh water harbor. Drydocking and scraping is unnecessary.



"We lowered our drying costs

57%

—and with
Louisville Dryers
we are turning out
a product of much
higher quality"



Louisville Dryers are reducing costs and simplifying drying operations in more than a thousand different plants. The economies in floor space, fuel, labor and other advantages are usually sufficient to pay for the entire equipment quickly—often in less than 18 months. There is no interruption in delivery of dried materials. The flow is automatic and continuous as needed, without costly trucking or rehandling. If you are one who believes that a rotary dryer cannot handle your product at savings up to 80% over your present method, we invite your investigation and request for information and proof.

A Preliminary Survey Without Cost To You

Let our drying engineers make an accurate analysis of your drying problems. Recommendations, if any, for improving your drying operations, will be submitted in writing, with costs and savings specifically and accurately indicated in dollars and cents. If the savings shown will not definitely justify installation of new equipment, you will be advised to make no change. Send now for complete catalog. Correspondence invited.

*A Louisville Dryer Never
Cost Any Buyer Anything*

LOUISVILLE
DRYING MACHINERY
COMPANY.
Incorporated

455 Baxter Avenue, Louisville, Kentucky
Cable Address—LOUDRY, Louisville, Ky.

5 Possibilities in Cost Reduction

- 1 Cut your fuel bill—possibly from one-third to one-half.
- 2 Cut down the number of attendants—in many instances to part time for only one.
- 3 Save 50% to 75% of valuable floor space for other purposes.
- 4 Speed up production by affording uninterrupted operation of plant, because of continuous delivery of dried material.
- 5 And—give yourself a better quality product.

the high-wage scale and the eight-hour day, and was Ford at first opposed to the plan?

My friend, who has spent many days with Henry Ford, admitted the value of a thorough analysis, but said that he was incompetent to do it, because Ford is such an odd combination of qualities. He can be very big and he can also be infinitely petty. In some things he is brave beyond belief and in other things he is not brave. He will never admit that he is wrong in the smallest detail, yet he never lets a mistake become too costly.

Ford is the most patient man on earth and also the most reasonable, yet he can be the most impatient and the most unreasonable. He hates to be under obligations to anyone. If he feels that he is under obligations, he is likely to be rude.

"I have seen a great deal of him," continued this man, "but the more I see of him the less I know him. I personally do not like him, and yet I am perfectly certain I would work hard for him, even knowing in advance that my reward would be some rudeness.

"Any man who knows Ford slightly can write at least an interesting analysis of him, and hundreds have done so. But once one really begins to understand him, one is never quite ready to write an analysis. He can be silly and also he can be uncannily wise."

♦

THE best of all the interpreters of Ford is Samuel Crowther whose book "Moving Forward"² is a tonic in these days when defeatism is popular. I recommend that every business man sit down with this book for four or five evenings and saturate himself with the philosophy of Henry Ford. It may lift him out of the dumps and give him new courage to face the winter.

Let him ponder this paragraph:

"If every business kept informed as to its own condition and paid no attention at all to that unreal thing known as the 'general state of business,' then, although a business here might be up and another business there might be down, the average of prosperity could be maintained. There is no business cycle. Periods of depression come about solely through a lack of intelligence on the part of industrial and financial leaders."

Ford is alive and doing, thinking and

²Moving Forward by Samuel Crowther. Doubleday, Doran and Company, Inc., Garden City, N. Y. \$3.50.



The Erie is equipped
to carry anything that
is used anywhere and to
carry it quickly and safely.



ERIE RAILROAD SYSTEM

Route of The Erie Limited

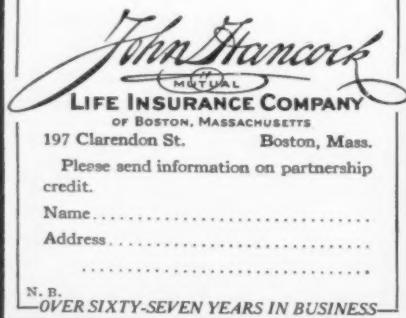
JOHN HANCOCK SERIES

Partnership Credit

INASMUCH as the death of a partner automatically dissolves a partnership, creditors can force their claims for settlement at once. When it is remembered that *any* partner is liable for *all* the debts of the partnership, it can be readily seen that a partner's dependents are vitally affected by such an occurrence.

Business Life Insurance can be carried by the firm for the reinforcement of credit against such a situation. For further information regarding its uses address:

INQUIRY BUREAU



working. It is no exaggeration to say that thousands of small business men have been stimulated and heartened by his example. He has increased the tempo of American industry. He has compelled the modernization of machinery and industrial practice.

When others whisper that wages must go back to the 1914 level, Ford shouts, "If wages have been multiplied by four in 20 years then they can be multiplied by more than that during the next 20 years." He qualifies this prediction by the phrase, "provided the leaders of industry actually lead."

It is no wonder that the worker, depressed by lack of employment and threatened deflation of his wage rate, hails Henry Ford as his prophet. Ford may often be wrong, but he is seldom wrong at the wrong time. At this juncture in the nation's history, his faith is cheering.

ON THE jacket of his new book "Mencken and Shaw,"³ Benjamin De Casseres lists among his admirers Thomas Hardy, Maurice Maeterlink, Eugene O'Neill, Havelock Ellis, Remy De Gourmont, Edgar Saltus, James Branch Cabell, George Sterling, Don Marquis, John Macy, Jack London, and H. L.

Mencken. Many of these admirers are dead. I suspect that those who are still alive will squirm when they turn the pages of "Mencken and Shaw," and will wish that they might recall the flattering adjectives that De Casseres has preserved so carefully.

Of all exhibitions of public pawing and petting, this study of Mencken by De Casseres is positively the most nauseating. That it is embarrassing to Mencken is revealed in a letter to De Casseres which appears on the cover.

Oaths and ugly words are a part of Mencken's natural vocabulary. De Casseres is determined to outdo Mencken and merely succeeds in being nastily offensive.

The reader is compelled to suffer such smart-aleck nonsense as:

"I prefer the bum to the honest working-man."

I enjoy robust expression provided it is a vehicle for robust thinking, but the stuff in this book smells bad.

The discussion of George Bernard Shaw that follows the study of Mencken is juvenile. De Casseres is as futile as a little boy throwing tennis balls at the Sphinx.

³Mencken and Shaw by Benjamin De Casseres. Silas Newton, New York. \$2.50.



Have your secretary send 10c for assorted samples to find your personal pen. Esterbrook Pen Co., 50 Cooper Street, Camden, N. J.

When writing please mention Nation's Business

On the Business Bookshelf

THE Playground and Recreation Association presents an excellent argument for the wider development of county parks.¹ Explanation is given of why they are often better than municipal parks and as often more practical. Development, park legislation, finance, administration, uses, and economic and social effects are discussed.

"THE CONTROL of Distribution Costs and Sales"² is a book particularly valuable to those who wish to acquire a closer control of distribution and sales costs.

The book is written to show how distribution costs may be reduced by careful direction.

WALTER BURR has prepared an interesting book on small towns.³ He has lived in them and studied them for 15 years. He considers and interprets the decreasing rural population, and the ex-

pansion of good roads and fast transportation.

"SECURITIES Index and Codes"⁴ has been published by the International Business Machines Corporation for the convenience of brokerage firms and others using accounting machines in their accounting operations.

The book sets forth an attempt to standardize the numerical securities code for automatic accounting machinery. The advantages of standardization

¹County Parks: A Brief Report of a Study of County Parks in the United States. Playground and Recreation Association of America, 315 Fourth Ave., New York, \$2.00.

²The Control of Distribution Costs and Sales, by William B. Castenholz. Harper & Brothers Publishers, New York, \$3.50.

³Small Towns: An Estimate of Their Trade and Culture, by Walter Burr. The Macmillan Company, New York, \$2.50.

⁴Securities Index and Codes. International Business Machines Corporation, 270 Broadway, New York.

Almost one person out of every four in northern and central California is a new addition to the population within the last ten years!

People!





When Beauty and Strength were Joined Together

BACK in the glamorous days of nearly three-quarters of a century ago, public officials and private individuals began using Byron Weston Co. Linen Record paper for important documents of every kind. They chose it because it combined beauty, strength and the highest degree of permanence. Today these early records bear eloquent testimony to the judgment of their makers—and have inspired city, county, state and government officials to specify this same economical, permanent paper for modern records which must stand the fierce test of time.

Use Byron Weston Co. Linen Record for deeds, wills, policies, ledgers—every record which merits preservation.

BYRON WESTON CO. LINEN RECORD
is used where ONLY THE BEST will serve.
Records Deeds and Wills Policies Stationery
Minute Books Ledgers Maps

WAVERLY LEDGER is used where
QUALITY AND COST ARE FACTORS
Blank Books Ruled Forms Pass Books Drafts
Stationery Legal Blanks Diplomas

FLEXO LEDGER is used where a
FLAT LYING LOOSE LEAF sheet is desired
For High Grade Loose Leaf Ledger Sheets and
Special Ruled Forms

CENTENNIAL LEDGER is used
where GENERAL UTILITY PAPER is required
Ruled Forms Broadsides Accounting Forms
Stationery Pass Books Legal Blanks

TYPACOUNT LEDGER is used where
quality and permanence are required in
Machine Posting Forms

**WESTON'S MACHINE POSTING
LEDGER and Index**
a grade below Typacount—but Made to the
Same Exacting WESTON Standard

DEFIANCE BOND is used where a
quality bond of HIGHEST CHARACTER counts

If you are not familiar with the complete Weston
line, please send for samples.

BYRON WESTON COMPANY

A family of paper makers for nearly
three-quarters of a century

DALTON, MASS., U.S.A.
Leaders in Ledger Papers

in this numerical code will become more important as mechanization in Wall Street accounting becomes more prevalent among brokerage houses.

DANIEL BLOOMFIELD has done an excellent job of collecting short authoritative discussions of trends in retail distribution. Such subjects as hand-to-mouth buying, instalment selling, group buying, chains and independents, maintenance of retail prices, direct selling and fashion are treated in his book.

PERHAPS the greatest value of "Why You Win or Lose" is the conviction it leaves with the reader that the stock market is an excellent place to stay away from. Certainly Mr. Kelly makes it appear—and in highly readable style—that beating the game is rather a hopeless endeavor for average investors, even though he lays down some rather particularized rules which he asserts have enabled him to achieve some degree of success in the game. Summed up, these rules are to do just the opposite of what every one else in the market is doing.

We wonder what would happen if every one followed those rules? Still, that's a contingency the author has considered, too. He admits it would ruin his formula for success, but serenely adds that few will ever follow his advice.

Trends in Retail Distribution, compiled and edited by Daniel Bloomfield. The H. W. Wilson Company, New York, \$2.40.

"Why You Win or Lose," by Fred C. Kelly. Houghton Mifflin Company, Boston, \$2.

Recent Books Received

Secular Movements in Production and Prices, by Simon S. Kuznets. Houghton Mifflin Company, New York, \$3.50.

My Life Work, by Robert L. Cooley, Robert H. Rodgers, and Harry S. Belman. McGraw-Hill Book Company, New York, \$1.50.

What Rights Are Left, by Henry Alan Johnston. The Macmillan Company, New York, \$2.00.

Statistics for the Business Man, by William G. Sutcliffe. Harper & Brothers Publishers, New York, \$4.00.

Testing Before Investing, by Edmond E. Lincoln. Second edition, revised. McGraw-Hill Book Company, New York, \$2.00.

The Book of Rhode Island. Rhode Island State Bureau of Information and Rhode Island Conference of Business Associations.

A German-English Technical and Scientific Dictionary, by A. Weibel. E. P. Dutton & Company, New York, \$10.50.

Soviet Economic Development and American Business, by Saul G. Bron. Horace Liveright, New York, \$1.50. (Mr. Bron

is former chairman of the board of Amorg, the American agent of the Soviet.)

The Theory of Interest, by Irving Fisher. The Macmillan Company, New York, \$6.00.

Capital and Labor Under Fascism, by Carmen Haider. Columbia University Press, New York, \$4.50.

Tents of the Mighty, by Donald Richberg. Willett, Clark & Colby, New York, \$2.50.

The Foreign Public Debt of China, by Arthur Gardiner Coons. University of Pennsylvania Press, Philadelphia, \$3.00.

Stock Speculation and Business, by George L. Hoxie. The Stratford Company, Boston, \$1.00.

Business Life Insurance Trusts, by C. Alison Scully and Franklin W. Ganse. D. Appleton and Company, New York, \$2.50.

Railroad Purchasing and the Business Cycle, by John E. Partington. The Brookings Institution, Washington, \$3.00.

Stuff: The Story of Materials in the Service of Man, by Pauline G. Beery. D. Appleton and Company, New York, \$5.00.

Trade-marks, by Clowry Chapman. Harper & Brothers Publishers, New York, \$4.00.

Railroad Administration, by Ray Morris. Second Edition revised by William E. Hooper. D. Appleton and Company, New York, \$3.50.

The Boston Transcript: A History of Its First Hundred Years, by Joseph Edgar Chamberlin. Houghton Mifflin Company, \$3.50.

My Automobile: Its Operation, Care, and Repair, by Harold F. Blanchard. Second Edition. Scientific Book Corporation, New York, \$3.50.

Problems of the Pacific, 1929, edited by J. B. Condliffe. The University of Chicago Press, Chicago, \$5.

We Look at the World, by H. V. Kalternborn. Rae D. Henkle Co., New York, \$2.50.

Street Lighting Practice, by Ward Harrison, O. F. Haas, and Kirk M. Reid. McGraw-Hill Book Company, New York, \$3.50.

The Sales Expansion Question Book, by Ray Giles. Harper & Brothers Publishers, New York, \$3.00.

Group Incentives, by C. C. Balderston. University of Pennsylvania Press, Philadelphia.

Appraising the Home, by Horace F. Clark. Prentice-Hall, New York, \$6.00.

American Industry and Commerce, by Edward Dana Durand. Ginn and Company, New York.

How to Write, by John Mantle Clapp and Homer Heath Nugent. The Ronald Press Company, New York, \$5.

Before and After Prohibition, by Millard E. Tydings. The Macmillan Company, New York, \$2.00.

Credits and Collections in Theory and Practice, by Theodore N. Beckman. McGraw-Hill Book Company, New York, Second edition, \$4.00.

Overhead Expense, by A. Hamilton Church. McGraw-Hill Book Company, New York, \$5.00.

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● With a liberal allowance
on your old calculator

Marchant engineers have achieved the seemingly impossible. They have brought this standard Marchant Electric Calculator down within the price reach of every progressive firm.

Now for the former price of a hand-operated calculator you can have the high speed, efficient, always accurate electric figuring enjoyed by the largest organizations.

Speeds up work in every department, cuts down overhead.

Have a Marchant expert look over your present figuring equipment—you'll be surprised at the liberal trade-in allowance he can make you.

Phone our local representative or use the coupon.

Adds, Subtracts
Multiplies, Divides

● 17 YEARS building calculators, nothing else. Electrical, hand-operated and portable machines. As low as \$125.

MAIL this Coupon . . . NOW

Marchant Calculating Machine Co.
Department 193, Oakland, California

077

Please send me full information about the low-priced standard
Marchant Electric Calculator.



Name _____

Firm _____

Address _____

City _____ State _____

Nonchain merchants in a dozen Georgia cities are organizing to fight the chains



The War on the Chain Store

By JUNE J. ELLIS

Advertising Manager, Waycross, Ga., "Journal-Herald"

DECORATIONS BY DON MILLAR

"HELLO, WORLD! This is your local *broadcasting* station, Piggly Wiggly Snow Company, operating on a fervency of 850 KILL-O-PRICES by authority of Every Good Citizen of Valdosta and Surrounding Territory.

"So Don't Go Away—If You Do, It's Going To Be Just Too Bad! We, R. P. and R. V. Snow, own and operate our own independent grocery business under a nationally known name which we have purchased for ourselves. We Thank You."

This is the heading of an advertisement which appeared in the Valdosta (Ga.) *Times*.

What is it all about? It is simply this, the war on chain stores has begun. The local independent merchant has "his back to the wall." It is to fight or to go under that avalanche which in the past few months has engulfed many independents.

The nonchain merchants in Georgia are organizing. Already approximately a dozen cities have their "Independent Merchants' Association."

In Valdosta recently, Senator Ed. Rivers, a candidate for governor in the last election, ad-

dressed an antichain store mass meeting.

Bainbridge, Ga., Waycross, Macon and others have their independent merchants' organizations. We pass through the streets of Waycross and in every fifth or sixth store window we find a placard:

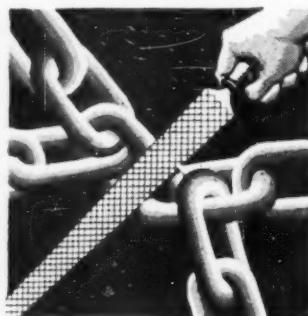
"This Is Not A Chain Store.

"If You Are Looking for Prosperity, Trade With Your Local Merchant.

"WAYCROSS INDEPENDENT MERCHANTS' ASSOCIATION"

The independent business man is alert and watchful lest any slight advantage may be taken by his opposition. The following incident, described in a Macon, Ga., paper, is illustrative:

A representative of a large dairy products distributing company





Canada, like the U.S.A. uses Internationals Everywhere

ON the eastern coast, on the Pacific slopes, throughout the provinces of the Dominion, International Trucks play an important role in the prosperity of Canada. These trucks are at work not only for the Dominion and Provincial Governments but for their many industries as well. You will meet Internationals on the roads through the beautiful Canadian Rockies, you will find them building roads through the virgin wilds of the Gaspé Peninsula. In the thriving cities; in the great grain fields of Saskatchewan ... everywhere you will see International Trucks, and always at work! Nineteen branches of the International Harvester Company of Canada, Ltd., and many dealers, are at the service of Canada's Internationals—just as our 161 branches, and active dealers everywhere, serve Internationals in the United States.

INTERNATIONAL HARVESTER COMPANY

606 So. Michigan Ave. OF AMERICA (Incorporated) Chicago, Illinois



INTERNATIONAL TRUCKS

A FEW CANADIAN INTERNATIONAL USERS:

Bell Telephone Company	Canadian Pacific Express	Canadian Pacific Railway	Canadian National Express	Canadian National Railway	Consolidated Fruit Co., Ltd.
Terminal Cartage, Limited	British American Oil Co. Ltd.	Canadian Oil Company	Dominion Bakeries	Charcoal Supply Company	Saskatoon Sand and Gravel Company
J. B. Renaud et Cie	Canada Steamship Co.	Province of New Brunswick	Dominion Government	Imperial Tobacco Company	Saskatchewan Cooperative Creameries
Hendrie and Company	Imperial Oil Limited	National Biscuit Co.	Swift Canadian Co.	Dominion Cannery, Limited	Canada Biscuit Company, Ltd.
Province of Quebec	Province of British Columbia	Province of Alberta	Sun Oil Company Limited	Western Canada Flour Mills	Brackman-Ker Milling Company
	Canadian Cartage Co., Ltd.	Gunn's Limited	Dominion Transport Co., Ltd.	Maple Leaf Milling Company	

When writing to INTERNATIONAL HARVESTER COMPANY please mention Nation's Business

now operating over the southern states was guest speaker at a recent meeting of the Rotary Club. The gentleman spoke of his company's policy, its altruistic aims and its achievements in helping the dairy products producers with whom it is cooperating. After his address, the organizer of the Macon Independent Merchants' Association arose. The gist of what he said is this:

"Mr. President, we have now heard from a representative of outside interests. I suggest that at our next luncheon we have a speaker from among our local merchants."

An embarrassing silence followed.

The Macon *Telegraph* recently carried a page advertisement to the effect that the local independent druggists had organized. Their plan, the announcement said, was to advertise collectively. An appeal was made to the public to patronize them because they were "home enterprises." Half of the "ad" was given to cut prices on drugs.

Home owned businesses

EVIDENTLY omitted from the organization for unexplained reasons the Mitchell, Williams and Mack Drug Company followed with an advertised affidavit showing that all of its stock is locally owned.

A large advertisement in The Bainbridge, Ga., *Post-Searchlight* issues "A CALL FOR VOLUNTEERS" and concludes with, "It is within your power to do a great part in this work simply by refusing to trade with any business concern not owned by home merchants."

Sixty persons and firms are listed as the "Citizens' Protective Association."

If one has never been interested and now wonders why this antichain movement is taking place, one may place one's self in the position of the independent merchant.

Usually the independent merchant is a home owner, a large taxpayer, a supporter of the chamber of commerce and the church, and a number of other enterprises.

He sees the chain store undersell him on many products. He cannot meet the opposition's prices chiefly because he has not the buying power. He sees his business dwindling. He must cut expenses. He loses faith in the chamber of commerce because he believes it has attracted the "chains" to the town.

In the previous years when he has profited, he invested his money locally. It went to expand his store, to buy a farm or perhaps to assist in building a local hotel.

He sees the chain, on the other hand,

sending its profits out of town nightly.

A reputable banker of Waycross explains that a daily draft from New York City exhausts the balance of many chain stores who deposit in his institution. The money usually remains in the bank less than 24 hours. He points out that this is slowly bleeding the community.

And is this amount, which goes out daily, increasing? Surely!

A newspaper story from New York tells us that chain stores showed a 9.38 per cent increase in aggregate sales for January, 1930, over January, 1929. This report was from 58 companies.

Now, back to the antichain movement.

A significant element in the fight is that the independent merchants have not the support of the press. I say this is important because the local independent merchants have said so in asking aid.

The newspapers are taking a non-partisan attitude.

"I am neutral," states the vice president of the Georgia Press Association and sole owner of the daily in the sixth largest city in the state.

The advertising man can fully appreciate the newspaper owners' viewpoint. Before the coming of the chain store, the advertising solicitor usually received the following answers when trying to sell advertising:

"We had good trade yesterday. We're going to try to get by another day without advertising."

"What's the use to advertise? They know what we've got."

"No use to advertise my groceries, I'm going to phone the housewives."

"Tell them about these new dresses? Huh! They'll come looking for them."

"What? Advertise drugs? Why, the manufacturers themselves do that!"

And so on.

Chains help by advertising

THE newspaper operator has seen the chain store use a constant "run" of advertising. When times were "hard," he has seen the chain advertise in compliance with a previously determined advertising budget. He has seen the chain store distribute circulars by the thousands, circulars which he has printed. He has seen chain stores attract trade from a territory never before reached. (This influx of new customers has beyond a doubt helped the independent merchant.) In all, he has seen chains bring him an income never before received.

The newspaper owner is adverse to "biting the hand that feeds." Consequently, he has not joined the fight for or against the chains. He no doubt realizes the steady stream of wealth which the chain is drawing from his territory. Yet it takes great determination to fight stores which are contributing two-thirds of his local advertising, as is the case in one instance.

In Macon, the *Telegraph* greeted the organization of local independent merchants with a story approximately four inches long under a headline of equally unimposing proportions. The *Telegraph*, conceded to be one of the fairest and most liberal papers in the South, no



The independent supports church and school and pays taxes

"Now we are all set, when the new year opens, to beat every quota we ever had!"

"That is preparedness. We decided to make the fall months pay extra profits in the new year.

"We utilized these dull months of our sales force and sales department to reorganize for a drive that will beat even the advanced quotas we have set.

"I say sales drive, but I don't mean just a flash. We're getting set for permanent performance!

"Every account has been gone

over with a fine-tooth comb and we're putting all the information on Acme Visible Records.

"When our salesmen start out after the first of the year they'll have duplicates of these records with them. They'll know, not just what they want to sell, but what every dealer should buy! And why he should buy and how much! Complete data on every prospect in their territories!

"Production ... purchasing ... inventory ... employment ... all other department records, in fact, as well as sales records, have been placed on Acme Visible Equipment because all of these departments dovetail with each other, and perfect coordination is absolutely essential to the program of progress we have set up for the new year."

* * *

How such sales records have worked out in actual practice is interestingly told in our book "Profitable Business Control," which also covers the intelligent application of Visible Records to other departments, such as credit, purchase, stock, production, costs and personnel. There's a trained Acme man near you. Send the coupon for the man, the book, or both. No obligation.

MAIL THIS COUPON TODAY!

ACME CARD SYSTEM COMPANY NB-12-88
2 South Michigan Avenue, Chicago

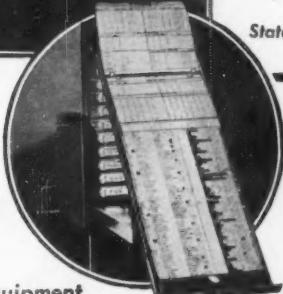
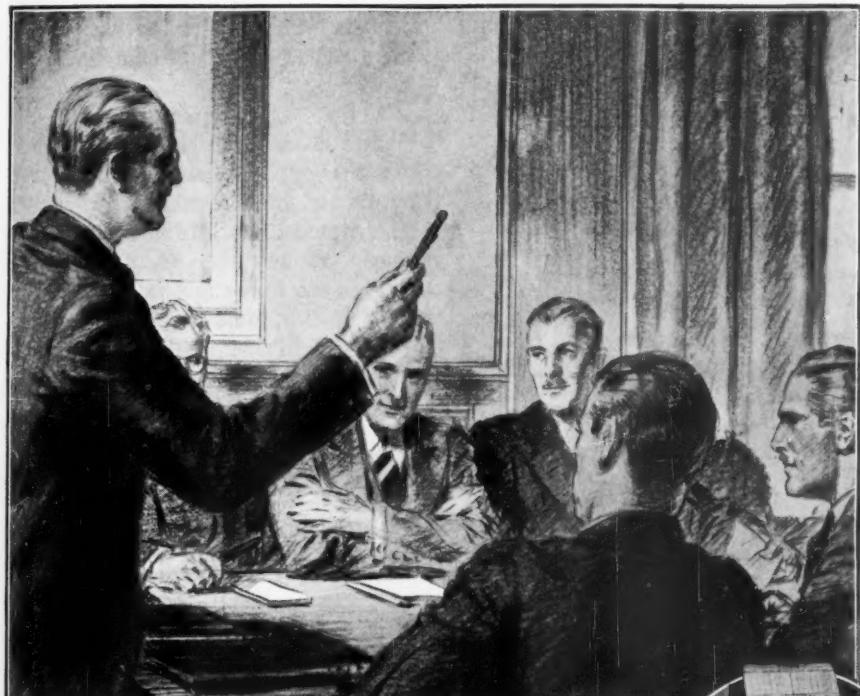
- Without obligation, send me your book, "Profitable Business Control."
 Have an Acme man call.

Name _____

Firm Name _____

City _____

State _____



Acme Visible Records

Acme is the world's largest exclusive manufacturer of visible equipment

Offices in Principal Cities

PROFIT BUILDERS OF MODERN BUSINESS

Keeping Pace With Industry

Industrial methods have progressed at an amazingly fast pace during the half century that the Broderick & Bascom Rope Co. has been making wire rope.

To keep pace with the ever increasing demands made upon wire rope by more powerful machines, this company has devoted all its energy and accumulated knowledge.

It was not enough to make stronger ropes; but ropes in which flexibility and elasticity were so nicely combined with greater strength, that long life and economy were assured.

The designing of such ropes and the designing and building of machines to make them—even the erection of new factories to house these machines—are accomplishments of which this company is justly proud.

The most famous of these ultra modern wire ropes is Yellow Strand, distinguished from all other ropes by having one yellow strand. Its wire is drawn to our special specifications from steel of Swedish origin.

Yellow Strand is a heavy duty rope that finds best opportunity to show its mettle under severest operating conditions.

**Broderick & Bascom Rope Co.
St. Louis, Mo.**

Eastern Office and Warehouse: 68 Washington St., N. Y.
Southern Warehouse: Houston, Texas
Western Offices:
Seattle and Portland, Ore.
Factories:
St. Louis and Seattle
Manufacturers of nothing but wire rope for over half a century

Yellow Strand WIRE ROPE

N 791



When writing to BRODERICK & BASCOM ROPE CO. please mention Nation's Business

doubt gave the story the prominence it believed it was worth as news.

As a regular reader of the *Telegraph's* letter column, I have not seen a single letter published on the subject of chain stores.

The *Telegraph* must receive them by the hundreds. It does on other subjects. Evidently, the *Telegraph* believes the chain-store fight, a mercenary and economic problem, must be discussed in paid advertising space.

In Waycross the independent merchants are resorting to *Truth*, a four-page circular, edited in newspaper style. No one is named as editor and no articles are signed. "Box 218, Decatur, Ga." offers to send copies at the rate of 100 for \$3.50 or 20,000 for \$175. The publication is marked, "Price 5c" but Waycross independents are glad to give them away. They have them stacked in their stores.

A streamer headline on one says: "Chain Store Evil Arouses Nation"

Extending the chain idea

THE stories discuss anything from short-weighing customers to the possibility of "chain physicians" and "chain dentists." Pictures on the front are of the governors of Louisiana and Kentucky.

A half-page cartoon on page four depicts chain stores as a greedy, hardened giant, his pockets stuffed with cigars and his breast adorned with a huge watch chain. He is saying "Who cares?" as the public about him points an accusing finger and exclaims:

"You didn't help build our roads!"
"You didn't help build our schools!"
And other accusations.

The individual who is concerned most with the value he receives for his dollar is greatly attracted by the chain store.

The chain stores have loyal followers who will tell you the home merchants have "held them up."

Chains are not fighting back

ARE the chains openly fighting back against the independents? No!

Here is what the vice president of a chain of 76 stores writes to his manager in Waycross:

"Do not enter into any newspaper, public or private controversy relating to chain stores. Simply give your customers SERVICE."

And he adds:

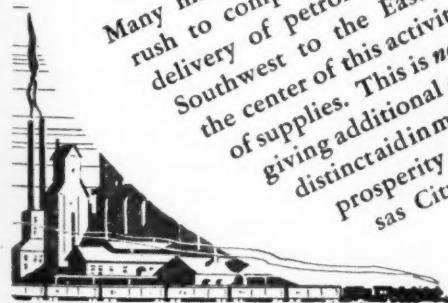
"We want our managers to be leaders in their respective communities. This

SALES STEADILY INCREASE KANSAS CITY

NEW IN KANSAS CITY

Many millions of dollars are being spent to rush to completion new pipelines for the delivery of Petroleum products from the Southwest to the East. Kansas City is the center of this activity and the source of supplies. This is new money that is giving additional employment, a distinct aid in maintaining the prosperity of the Kansas City territory.

THE work of making 1930 a good sales year in the Kansas City territory goes on, increasingly. At the end of the first six months, a remarkably large number of lines were holding their own with the 1929 record, or bettering it—and improvement in conditions in the last half continues. ¶ Merchants in the territory are buying with new confidence. Raw material purchases indicate a manufacturing faith in the immediate future. Millions of dollars are being spent in downtown construction; more millions in pipeline development, with Kansas City the source of supply; further millions in industrial development to meet the above-normal demand for commodities that overnight will send production demand rapidly upward. ¶ The Kansas City market was last to feel the recent general business hesitation—and is first to respond to the new buying confidence already reappearing. ¶ You can sell in the Kansas City territory if you have production and distributing facilities to make the prompt and economical delivery that the territory demands. Kansas City serves 19 million more economically than any other market—it can be your territory if you wish to cultivate it intensively from Kansas City.



INDUSTRIAL COMMITTEE OF THE CHAMBER OF COMMERCE OF

KANSAS CITY

Nearly $\frac{3}{4}$ million people live within one hour by motor car from Twelfth Street and Grand Avenue in Kansas City, Mo.

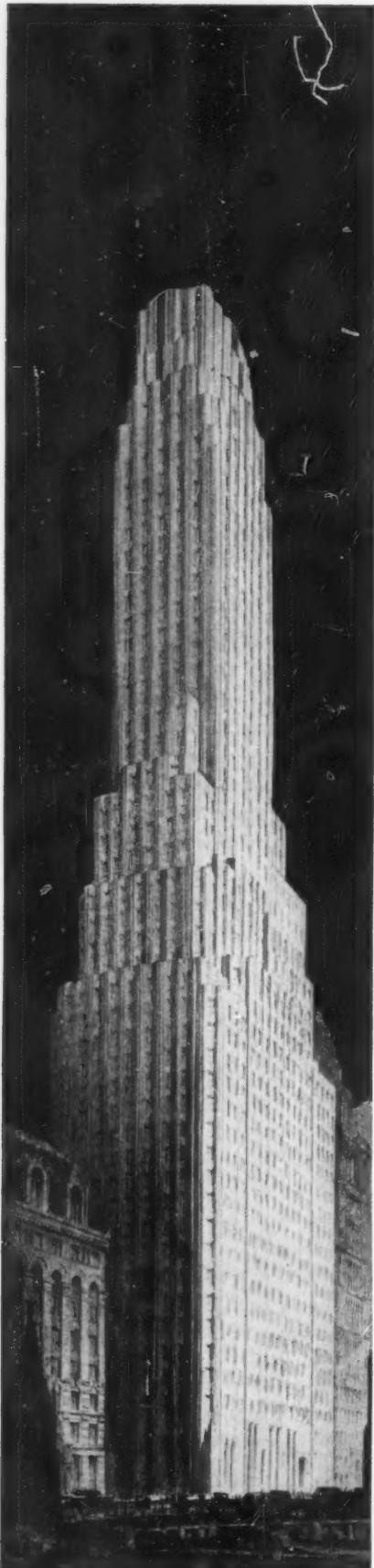


The new freight rates between Kansas City and the East have abolished the Mississippi basing line and given Kansas City a new through rate. Write for detailed information.

Industrial Committee Chamber of Commerce, Kansas City, Missouri
Please send me the facts about Kansas City. I am interested in the _____ industry.

Name _____
Firm _____
Address _____
City _____ State _____

(I saw your advertisement in Nation's Business)



Keeping AIR up to Par

... at Number 1 Wall Street

IN Wall Street's money marts ... where so much depends on clear heads...the air should always be up to par.

In this new 50-floor skyscraper now being built for the Irving Trust Co., 23 Sturtevant Silentvane Fans will issue 340,000 cubic feet of "par" air, every minute. And every minute, 408,000 cubic feet of "depreciated" air will be retired from the building by another group of 25 Silentvanes. In some sections of the building, the air will be changed every 4 minutes.

The new Irving Trust ... tallest granite and limestone structure in the world...is a notable addition to the lengthening roster of outstanding Sturtevant-equipped buildings.

B. F. STURTEVANT COMPANY

Main Offices: HYDE PARK, BOSTON, MASS.
CHICAGO, ILL., 410 No. Michigan Ave.,
SAN FRANCISCO, CAL., 681 Market St.
Branch Offices in Principal Cities

Sturtevant
REG. U. S. PAT. OFF.
HEATING-VENTILATING AND
POWER PLANT EQUIPMENT

NEW headquarters building, Irving Trust Co., One Wall St., New York City. *Architects:* Voorhees, Gmelin & Walker, N. Y. C. *Builders:* Marc Eidlitz & Son, Inc., N. Y. C. *Engineers:* Meyer, Strong & Jones, N. Y. C. *Heating and Ventilating Contractors:* Baker, Smith & Co., N. Y. C.

When writing to B. F. STURTEVANT COMPANY please mention Nation's Business

is your authority to use store funds to pay your dues to a luncheon club and charge same to your advertising budget."

As the fight on chain stores begins, I wonder what will be the attitude when the public in this town fully realizes that two of our chain stores are managed by men who receive a part of the profits. I know positively that the manager of one store receives one-fifth of the net profits besides his salary.

If this manager invests his money locally, which he has been and is doing, what right have the independents to class him as a total "outsider"?

The detailed arrangement between the manager and the "high-ups" in the other store is unknown to me. He owns an interest in the store, I am certain.

Both of the national chains mentioned here employ their managers on a profit-sharing basis.

Sound advertising policy

THE latter chain, operating approximately 1,400 stores, has a reputation of contributing generously to community enterprises wherever it is located. Its honesty in advertising is attested by the fact that managers are instructed to advertise as "new" only that merchandise which has just arrived and which has not been announced before.

Its merchandising policy is that no "sales" shall be held. To clear its stock, the store publishes a straight-forward statement, for instance:

"We have put a new low price on these smart winter coats because we must have room on our racks for the new spring styles."

What could be fairer?

That is much better than giving the public a dose of:

SALE! SALE!

\$50 Coats, bargains today as a special gift to our customers, each \$25.

Also this chain never offers its customers "specials," nor stages a "Dollar Day." It claims its prices are constantly as low as possible. However, to put across a community dollar day in Macon, the store there advertised at its regular prices and announced:

"This advertisement is published in cooperation with the retail merchants' Dollar Day."

It is unfortunate that chain stores of this type, which support the chamber of commerce, contribute to worthy causes, and which are directed by owner-managers, should be classed with the chain store which "gets by with murder," to use a common expression.

Chamber of commerce officials in ev-

NEW

Tight-seal Wrapping ++

with moisture-proof Cellophane

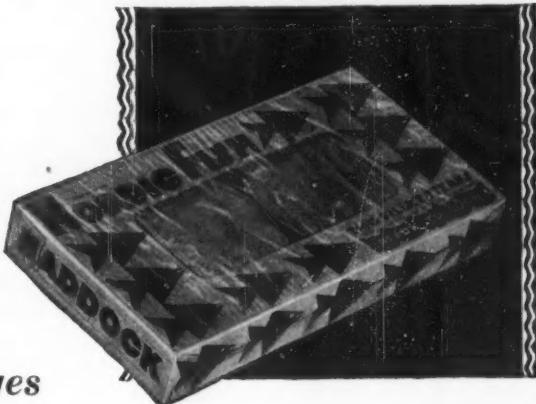
Moisture-proof Cellophane can now be wrapped as air-tight as waxed paper, giving equal protection to the goods, and decided sales advantages

Now you can have *all* the sales advantages of a completely transparent wrapping, *plus* the air-tight, moisture-proof protection formerly obtainable only with waxed paper.

The Package Machinery Company, backed by wide experience in working with Cellophane, can now supply machines to wrap moisture-proof Cellophane as air-tight as waxed paper.

Moisture-proof Cellophane, being perfectly transparent, gives much more effective display to the package or product than waxed paper. Its glistening surface does not become clouded with dust . . . goods wrapped in it are always fresh in appearance; never shop-worn.

Tests show that moisture-proof Cellophane, wrapped by the *Tight-seal* method,



helps to retain flavor and fragrance more effectively than either waxed paper or foil . . . important for such products as coffee, chewing gum, cake, perfumed soaps, etc.

This new development offers a real opportunity to that large field of manufacturers whose products must be kept fresh and wholesome . . . an opportunity to secure, in addition to perfect protection, a new and powerful sales-appeal through richer, more attractive appearance.

Send us your product

We will return it to you, in a *Tight-seal* moisture-proof Cellophane wrapping with complete information regarding the machinery to do the work.

PACKAGE MACHINERY COMPANY
Springfield, Massachusetts

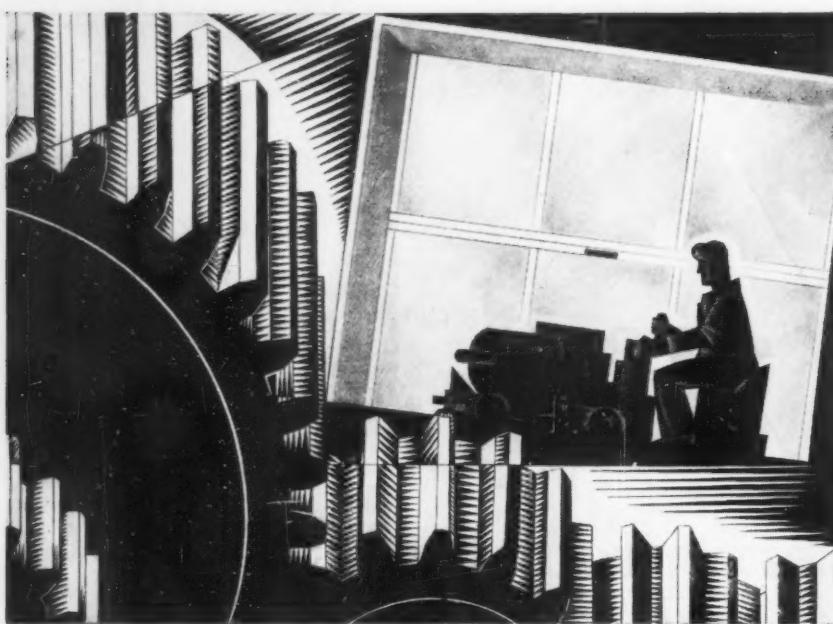
New York Chicago Los Angeles
London: Baker Perkins, Ltd.



PACKAGE MACHINERY COMPANY

Over 150 Million Packages per day are wrapped on our Machines

THE DOORWAY OF AMERICA'S FREIGHT ELEVATOR TRAFFIC



PEELLE MOTORIZED FREIGHT ELEVATOR DOORS

cogs . . . cogs . . . cogs . . . untold millions of them . . . synchronize . . . mesh . . . grind out in concert the products of a vast industrial civilization. As cogs in the swift evolution of industry for over 25 years, Peelle Doors have contributed assured safety, greater speed, simplicity of operation and low-cost maintenance. In aggregate the minutes they saved . . . the human labor they lightened . . . the economies they effected . . . speak with convincing logic. Motorized—they render automatic entrance and exit at the touch of an electric button. Write for catalog, or consult our engineering division.

THE PEELLE COMPANY, BROOKLYN, NEW YORK
Boston, Chicago, Cleveland, Philadelphia, Atlanta and 30 other cities. In Canada: Toronto and Hamilton, Ontario

★ ★ ★ *A Useful Christmas GIFT*

A subscription to Nation's Business makes an ideal Christmas gift for your customers, employes, business friends, associates and junior executives.

Send us attached coupon and a 1931 Nation's Business subscription will be entered for



NAME _____

ADDRESS _____

and BILL me for \$3.00

MY NAME _____

MY ADDRESS _____

NATION'S BUSINESS • Washington, D.C.

every city can point out chain stores whose managers are not allowed to contribute a dollar to any cause.

What will be the result of the anti-chain-store movement? Will the chain stores be affected? Will their sales be curtailed? Will some of the chains be driven out where the fight is fiercest?

The independent merchants have great hope. They claim their organizations have already exerted an influence. Many of the more optimistic are estimating how long it will require for a complete riddance of the chain store.

The chains can do much to remove the antagonism against them. These changes must come from the "higher-ups" and they probably already have seen the handwriting on the wall. These executives should use every effort to localize their stores. They should try to place back into the community part of what they are taking away. If not, they will kill the goose that lays the golden egg.

Study Freight Rates

(Continued from page 25)

Individual engaged in business forms his opinion of the soundness of a rate adjustment by its effect on his individual prosperity, whether, in the long run, it increases or decreases his profits. Yet there is always an intelligent body of disinterested but understanding opinion in this country which can be depended on to appreciate the advantages of order, and of the establishment of geographically and sectionally just schedules, in which rates paid are related to cost of service rendered.

"I do not expect that cost-of-service will become soon or ever the overruling and all-determining consideration in making transportation rates. The importance of maintaining competitive equality between established producing centers can never be minimized.

"Still, modification of the old arrangements is constantly being demanded; and the cost-of-service consideration asserts itself a little more strongly with each adjustment. The trend toward its fuller recognition seems to be definitely here.

"The decisions indicated probably mean that producing communities of the United States must prepare more and more to experience in transportation rates the geographical advantages or disadvantages of their location with reference to markets; and must prepare to bear or transfer the transportation toll in a degree comparable with the expense railroads encounter in placing their products with consumers."

Time again to measure value for insurance

DURING the past year . . .

Have there been additions to your plant or store or home?

Have you added new furniture, new fixtures?

Have your engineers developed new processes that entailed new machinery, new materials?

Time makes change—and change means different values. Value is the basis of insurance. So we say it's time again to measure value.

Naturally you don't want to pay for more insurance than you need. At the same time you should be sure that you are adequately protected against financial loss from damage to the things you value.

Whether it be inventory period or time for a check on running inventory before closing the year's books—this is a good season to check your present values against your insurance policies . . . to check your policies against each other to see that they conform.

Play safe. At little time or trouble you can make *sure* you are completely covered against loss from fire! The Agricultural agent in your community will be glad to assist, without the slightest obligation. Call him. You'll find him fully competent and easy to work with.



"A plank balanced over a fence, the thing to be weighed on one end, stones piled on the other... Then they guessed at the weight of the stones."

You can obtain Agricultural Policies for all coverages such as:

FIRE • PARCEL POST
AUTOMOBILE • MARINE
USE AND OCCUPANCY
RENT AND LEASEHOLD
WINDSTORM • FLOATERS
SPRINKLER LEAKAGE
REGISTERED MAIL
TRANSIT • EARTHQUAKE
TOURISTS' BAGGAGE
EXPLOSION AND RIOT
AIRCRAFT DAMAGE

Agricultural
Insurance Company,
of Watertown, N.Y.

A FEW CENTS WILL PROTECT ALL PAPERS AND RECORDS

**LOSS
WASTED TIME
INACCURATE FILING**



LOOSELY-FILED papers are the cause of inaccurate refiling and wasted filing time. They easily become lost, which causes confusion, embarrassment—actual financial loss!

But bound papers are safe papers—there is no refiling. Acco Folders insure them against these three greatest obstacles to modern filing—file clerks are compelled to be accurate.

Acco Binder Folders are made of sturdy pressboard for 1" and 2" thickness of papers. The binding is with the Acco Fastener, having two prongs, a broad base, and a lock compressor strip to secure contents tightly and compactly. Acco Folders make your filing cabinets ready-reference libraries of safely-bound "books of correspondence"—secure against loss, proof against inaccurate filing. When transferring, a completely bound and indexed book of papers is just slid from the folder and filed away, intact. The folder is used again.

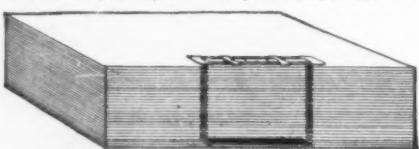
Acco Fasteners are "the better half" of everyday filing equipment. No ordinary manila folders in your files should be without them—the Acco Fastener keeps every paper in its correct filing position. It cannot become lost while the file is in use, or when dropped. Creates a completely bound file—a book history of transactions.

Ask your dealer today to show you these filing aids—there is no better time than now when transferring for the New Year. Write us for extra information—and for free sample fastener.

**ACCO PRODUCTS, INC.
(AMERICAN CLIP COMPANY)
39th Ave. & 24th Street
Long Island City, N. Y.**

BRANCH OFFICES:

Acco Canadian Co., Toronto, Canada
Acco Co., Ltd., London, E. C. 4, England



ACCO BINDER FOLDERS AND FASTENERS

When writing please mention Nation's Business

Individualism Gains in Russia

(Continued from page 29) could determine with the aid of a competent interpreter, the natives never had seen an automobile. Our party had penetrated the back country more than 80 miles—a whole day's drive—from the last semblance of a highway. The route our car followed beyond the so-called improved road was scarcely more than a bridle trail. Ten miles an hour was the maximum speed. In one village I was informed by several of the patriarchs that none could recall ever having seen an American before. We were welcome, I imagine, chiefly as objects of curiosity.

Land of few Communists

THERE are approximately 300,000 such villages in Russia. Less than 10,000 of this number are on railroads, or in reach of telegraph or telephone lines. The rest are little knots of people living under the conditions portrayed in the Old Testament. Without mails, newspapers, schools, communications, these villages are essentially independent communities. Many of the villagers never have been as far as 30 miles from their dwellings. The great majority are not Communists, and I should say know little if anything about the principle of Communism. Repeatedly I asked men, women and children at random, "Are you a Communist?"

Almost invariably the answer was no.

Nor are they, in my judgment, sympathetic toward Communist principles. Every element of their environment conspires to make them individualists.

"How then does a party of 600,000 Communists manage to rule a nation of 160 million people," I asked again and again in Moscow.

The answer was always the same: "By the power of the army, plus the G. P. U., or secret police."

No expression of opposition to the Government is tolerated anywhere. As long as the peasants, the vast majority of the population, are not disturbed by Moscow's policies, well and good. But when these policies begin to uproot the peasants from their moorings against their will, trouble begins. It was against this wall of the stubborn resistance of the masses of peasants that the collective farming program ran at full speed and then backed up.

"Should the peasants ever rise up in unity against Moscow there would be

left hardly a grease spot," I was told by an American engineer who had travelled some 30,000 miles throughout European Russia. "But that can never happen as long as the present iron-handed rule prevails. Moscow recognizes this peasant attitude, and is ever alert to avoid any policy which might unite the villages in opposition."

This is not to say that the majority of the Russians are living in a resentful mood, awaiting the opportunity to strike down the Moscow Government. It means rather that they are more or less indifferent to Moscow as long as they are undisturbed and that Moscow looks to it that they shall not be disturbed beyond their will.

Meanwhile, the processes of education are expanding over the country. One by one these dark-age settlements are getting schools, motion pictures, mail service. Gradually the ring of modern civilization spreads, like ripples on the mill pond. Month by month the processes of revolution fall into the stride of historic evolution.

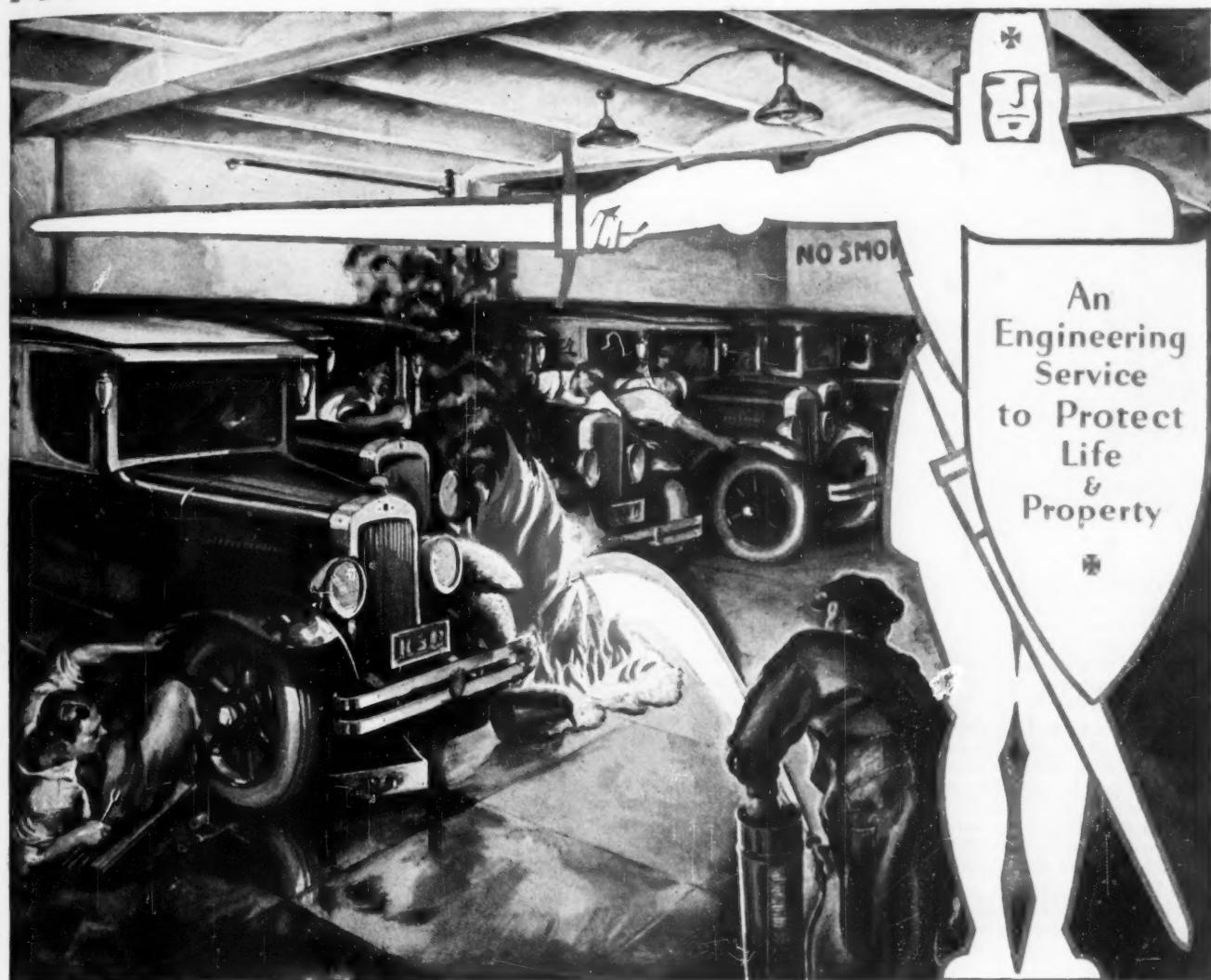
But while the peasant stubbornly clings to his ancient moorings, industry sweeps on in an heroic effort to span in a single generation the ground lost in more than a century of social and economic stagnation under the old régime. Government officials in Moscow informed me there are now some 12,000 foreign engineers engaged in the Russian industrialization program. Of this number, about 2,500 are Americans. The foreign engineering group constitute the backbone of a program which the political masters of Russia regard as controlling the destiny of the land.

Our pattern for communism

ONE of Russia's most striking paradoxes is encountered in this industrialization program. None other than our own United States is the idealized pattern of the entire scheme. Even some of the ranking officials in Moscow told me frankly of their preference for American engineers, American machinery, American management methods.

The single item of farm tractors in our export tables at the Department of Commerce seems to sustain the statement. In the first six months of 1930 we shipped \$24,700,000 worth of tractors and parts to Russia, against \$4,300,000 in the corresponding period of 1929. How long, I wonder, can the fiction pre-

FIRE — AN INCIDENT OR A DISASTER ?



An
Engineering
Service
to Protect
Life
&
Property

When a spark might cost a million dollars!

Motors silent . . . wheels stilled . . . giants of the roads at rest. Now is the time for inspection, repairs, grooming that makes the fleet its owner's pride. Hours drone by . . . then an instant's carelessness . . . a spark on the oil spattered floor and a million dollars starts up in flames! That's the time quick action with the proper extinguisher turns possible disaster into an incident—part of the night-shift's work! Garage or bank—industrial plant

—public building—all need correct protection against fire—protection based on facts, not guess-work. Such protection is assured by LaFrance and Foamite Service. This service, symbolized by the Crusader, starts with a detailed survey of the fire hazards of your property by our trained fire protection engineers. Based on this survey, we will submit complete, unbiased, written recommendations for safeguarding your business. Un-

biased—for this company makes every recognized type of fire-extinguishing equipment.

Whatever the nature of your business—you need this complete service to safeguard it against interruption by fire. Send for a representative. No obligation, of course.

AMERICAN-LAFRANCE and FOAMITE CORPORATION, Dept. D72, ELMIRA, N.Y.

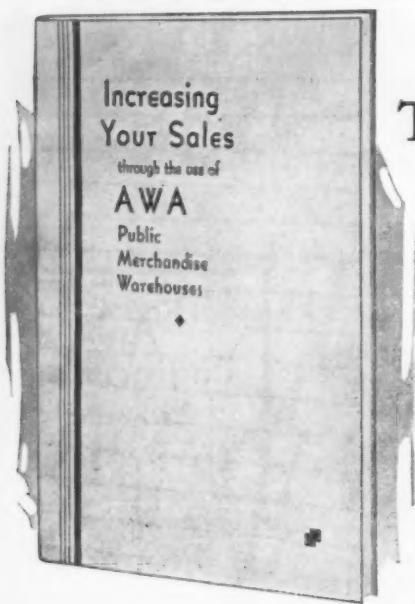
Offices in all principal cities

"Correct Protection Against Fire" is a booklet describing our service and protection. Write for a copy.

LA FRANCE AND FOAMITE PROTECTION
AN ENGINEERING SERVICE
AGAINST FIRE

When writing to AMERICAN-LAFRANCE AND FOAMITE CORPORATION please mention Nation's Business





This is the free Book ALERT EXECUTIVES are reading . . .

Write today for Your Copy!

Learn how the A.W.A. warehousing system enables you to improve your distribution methods, increase your sales and cut your costs of doing business.

. . . keeping in touch with you through daily sales and stock reports. Using the warehouse phone number, you may list your name in each local phone book, and the warehouse operator will take your salesmen's phone calls. Yet your identity is always carefully preserved, for the warehouse uses your shipping labels . . . even writes letters to your customers on your stationery, if you wish.

The flexibility and the possibilities of such a distributing system are almost unlimited. You can use as many warehouses as you require . . . in two cities, in twenty cities, in two hundred cities!

Costs on a "Piece Work" Basis

Costs are based on the number of units of your goods that are handled. You have little or no "overhead" if business is dull and very few shipments are moving through the warehouses . . . and whether business is dull or brisk, you pay only on a "piece work" basis for goods actually stored or distributed by A. W. A. warehouses. Such flexibility in controlling costs enables you to expand your business without risk, and make important savings by using our warehouses instead of operating your own branches at fixed overhead.

Trained, experienced personnel in each warehouse performs all details of handling your goods, storing, assembling orders, marking, packing, shipping, city delivery, stock-keeping, pool-car handling and distribution.

Among users of A. W. A. warehouses are some of the greatest names in American business. The men who make and market these products are the nation's foremost merchandising and distribution experts. Their methods are fully described in our booklet, and we believe you will find it worthy of study.

Write today for your copy of the A. W. A. booklet. Address the Merchandise Warehouse Division, American Warehousemen's Association, 1802 Adams-Franklin Building, Chicago, Illinois.

We Do Everything But Sell

In effect, these warehouses become your branch house in each city you select . . . storing and distributing your goods . . . receiving your mail and handling your orders . . . doing your billing if you wish, and receiving remittances . . . making bank deposits to your account

vail in Russia that the best tractor—an engine wholly good from the social as well as the mechanical viewpoint—comes from a land wholly bad from every viewpoint?

Thus have I come by the impression—an impression which grows on me as I review the thousands of scattered incidents of my visit—that the major social fermentation in Russia today is in the direction of a growing realization that the program of the Communist Party gradually must take into account more and more the awakening sense of individualism in the new Russia.

No one can foresee how quickly this development will mature into political expression. But my own observations convince me that the process already is well rooted. My personal opinion is that it is the factor which will give direction to the evolution of the Russian political, economic and social programs in the next decade.

Hard work today to catch up on the distressing housing shortage in the larger cities, to provide surplus food stuffs with which to buy industrial machinery, to increase clothing production—with all of these things occupying the energies of the masses and the thought of the leaders, the old hairsplitting controversies over philosophical theories of government and economics sink farther and farther into the background in Russia.

A doctrine of practicality

THE new impulse is to get the job done. It is revealed in hundreds of ways daily. Seven years ago a sacred tenet of party might have stood in the way of a new locomotive works. Today the stronger allegiance is to those sacred principles of human conduct which actually work out in worldly life.

Thus is Russia drifting, party professions notwithstanding, in the direction of freer play for individual initiative and private enterprise. Almost imperceptibly the deep earth-spring of the human impulse for individual improvement is being tapped from every angle. Perhaps it does not all square with the doctrines of Communism. But it works.

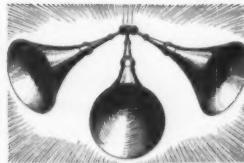
How well the new stimulus will be cultivated and directed, only the future can tell. I should say that during the next decade it will develop tremendously, even without much encouragement.

I incline to the opinion, furthermore, that before many years have passed we shall see the first signs of a gentle and wholly unostentatious cultivation of these scattered seeds by the present régime in Moscow.

**AMERICAN WAREHOUSEMEN'S
ASSOCIATION**



**"Louder...
louder!"**
---- a cry of the past



Straining forward to hear the speaker they were all ears and he was all lungs—but still they couldn't understand him. No wonder "louder please"—and remarks less courteous—were bywords at old time gatherings.

That was before Western Electric showed the world how to amplify and distribute the voice. Today the Western Electric Public Address System brings every word of the speaker to you, even in the last row of the balcony or on the far edge of the largest crowd outdoors.

And this, like most achievements in voice reproduction, was made possible only by this organization's long experience in making Bell telephones.

Western Electric

*Makers of your Bell telephone and leaders
in the development of sound transmission*



For easy hearing, the Western Electric Public Address System makes every seat a front seat.

It May Not Be Safe to Predict, but—

**"Do you know," asked the old gentleman,
"that you are only just catching up with
the public in this matter of aluminum?"**

TWO men were motoring along a country road in Pennsylvania. A motor truck with an aluminum body flashed by them.

"That reminds me, do you know all about the new things that are being made from strong aluminum alloys?" asked the younger man.

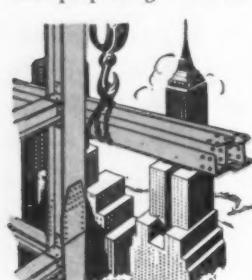
"Yes, I keep pretty well posted," replied his elderly companion, one of the founders of the aluminum industry, now retired. Then he asked abruptly, "But do you know that you are only just catching up with the public in this matter of aluminum?"

The younger man looked incredulous. "Just catching up?" he demanded. "Why—"

"Fact," interrupted the other. "After young Charles Martin Hall had worked out his process of extracting aluminum from its ore by electricity, back in 1886, we started to make aluminum by the pound instead of by the ounce. Right away everybody began to predict big things for this new metal that was only about a third as heavy as iron or steel."

"I remember," he continued reminiscently, "that people began to talk about aluminum

trolley cars, aluminum bridges, aluminum frame work for skyscrapers, aluminum railroad coaches, and a lot of other things. We used to spend about half our time



The public's fancy of aluminum skyscrapers may yet be realized.

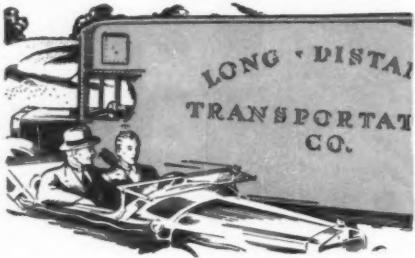
explaining why aluminum couldn't be used for such purposes. It wasn't merely because it was still too costly, but because the only kind of aluminum we knew anything about then wasn't strong enough for such heavy duty."

"Hard-Boiled" Aluminum Alloys

"And then," anticipated the younger man, "they worked out these 'hard-boiled' aluminum alloys."

"And then," repeated the other, nodding assent, "the research men worked out the aluminum strong alloys. I remember the development step by step, first the adding of small quantities of certain other metals to aluminum while it was still in a molten state, and afterwards the heat-treating of the alloyed metal to make it tough. It took a long time to complete the work, but when it was done, we had a metal as strong as structural steel—and still aluminum-light."

"Now," concluded the veteran with a quiet chuckle, "you're faced with the job of telling the public that it was right after all about



aluminum trolley cars and aluminum railroad coaches—and it may yet prove to have been right about aluminum framework for skyscrapers, and lift-bridges, and the like. It begins to look that way to me."

This is, indeed, the curious predicament of the aluminum industry today! No one could have foreseen, 25 or 30 years ago, that by the science of metallurgy aluminum would be made strong enough for building such things as armored trucks, railroad tank cars, motor bus bodies, trolley cars and railroad coaches.

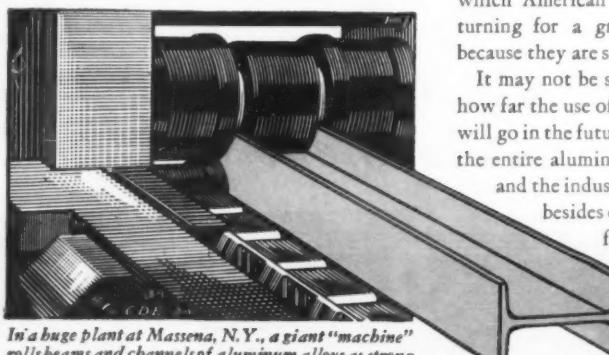
The Public Had Expected Miracles

Knowing nothing of the limitations of ordinary aluminum, the public had expected miracles—and the public was right, as it so often is in its expectations!

It was inevitable that the metallurgists should find a way to make this light metal more useful. And once the scientists had mastered the art of making aluminum strong alloys, it could be taken for granted that the engineers would make rapid progress in applying these "hard-boiled" aluminum alloys to the problems of transportation and building construction.

Trolley cars and railroad coaches with bodies made largely of aluminum strong alloys are in service today on numerous roads.

Motor buses and motor trucks, tank trucks and trailers, with aluminum strong alloy bodies, are now speeding along the country's highways.



In a huge plant at Massena, N.Y., a giant "machine" rolls beams and channels of aluminum alloys as strong as structural steel.

Truck cranes with booms made of strong aluminum alloys are being used in construction work, while shop cranes made entirely of strong aluminum alloys are helping manufacturers.

Railroads are beginning to experiment with strong aluminum alloys for locomotive connecting rods. Section cars made of aluminum are today speeding up and down railroad lines.

Architects are beginning seriously to discuss the use of aluminum strong alloys for many purposes in our skyscrapers. (Already aluminum is being used for radiators, shower partitions, doors, screens, fences, window frames, elevators and decorative forms on skyscrapers and public buildings.) And it is entirely possible that some day, as these great cloud-piercing structures go higher and higher, their upper framework of beams and girders may be of light strong aluminum alloys. We may, in fact, one day realize completely the public's rash early dreams about aluminum.



Aluminum trains and trolleys will soon be common in our cities.

Tees, Zees, and Beams of Aluminum

It was faith in the broader usefulness of aluminum and its own trade-marked metal,

Alcoa Aluminum, which led Aluminum Company of America to build a great plant at Massena, New York, for making large structural shapes of aluminum strong alloys—I-beams, H-beams, angles, channels, Tees, and Zees. These are standard size shapes, up to ten inches in depth and eighty-five feet in length.

Already, though this plant has been completed less than a year, it is daily turning out large quantities of structural shapes. And other mills and foundries are producing rolled sheet, extruded rod and tubing, wire cable, sand, permanent mold, and die castings, and drop forgings in these same aluminum strong alloys to which American engineers and architects are turning for a great variety of new services because they are so strong and yet so light.

It may not be safe to predict, even yet, just how far the use of aluminum in its many forms will go in the future. But this much is certain, the entire aluminum industry is on its toes—

and the industry includes many companies besides our own—to meet the public's fullest expectations. The story of aluminum has only begun. ALUMINUM COMPANY OF AMERICA; 2425 Oliver Building, PITTSBURGH, PENN.

NEWS OF ORGANIZED BUSINESS

By WILLARD L. HAMMER

Exhibit of Industrial Art IN mid-October the American Federation of Arts opened its third International Industrial Exhibition in Boston, showing decorative metal work and cotton textiles. The Exhibition later will be taken to New York, Chicago and Cleveland.

The first Exhibition covered the ceramic arts, the second, decorative glass and rugs. In the present Exhibition, are included American entries, of course, and work from Czechoslovakia, Denmark, England, France, Germany, The Netherlands, Sweden, and Switzerland.

The exhibitions assemble the best American and foreign work, making possible a comparison as to type, technique, and design in current production. They tend to establish style tendencies along rational lines. They are presented in different cities, thus attracting wide and varied audiences. Finally, they show, side by side, the products of craftsmanship and quantity manufacture. Detailed treatment is possible because of the limited field of each Exhibition.

Canadian Chamber Meets THE Canadian Chamber of Commerce held its fifth annual convention October 7-9 at the Royal York Hotel, Toronto. The central theme was "The Channels of Canadian Commerce."

Commercial aviation problems were discussed by J. H. MacBrien, president of the Aviation League of Canada; Brig. Gen. C. H. Mitchell, dean of the faculty of applied science at the University of Toronto; and Ellwood Wilson, director of the Aviation Corporation of Canada.

W. S. Campbell, manager of the transportation department of the Canadian General Electric Company, and H. H. Bishop, vice president of the Robert Simpson Eastern, Ltd., discussed motor transportation and its control.

Other subjects discussed during the three-day meeting included:

The operating and subsidizing of steamship lines; problems of agricultural production and marketing; increasing interprovincial distribution; increasing tourist purchasing; Latin-American trade development; whether an empire market board should be established in Canada, and ways in which interempire trade could be promoted by Canada.

Julius Barnes, chairman of the Chamber of Commerce of the United States, addressed the convention on "International Trade and Common Sense" at the closing banquet.

Fighting Unemployment

THE Manhattan Board of Commerce in New York City has temporarily abandoned its civic activities to devote full time to helping the unemployed.

Logan Billingsley, chairman of the board of directors of the Board of Commerce called a conference of many industrial leaders. From this developed a wealth of material, accurately compiled

and illuminating. Following this conference, Mr. Billingsley appointed an unemployment committee to suggest what in their opinion was the most expeditious and constructive way in which to handle the unemployment problem.

The committee, realizing the limitations necessarily imposed on a single organization in coping adequately with this problem, advised the immediate establishment of a free employment bureau. Mr. Billingsley explains what then happened:

"Our first move in this stabilization program was to urge all our members and thousands of large corporations to retain their help.

"The reaction to this request was favorable. Hundreds of letters were received from the heads of these corporations, assuring us that while they could not hire any additional help they would not discharge any.

"Learning of our efforts, Miss Frances Perkins, state industrial commissioner, encouraged us in our work and offered

Where Business Will Meet in December

DATE	ORGANIZATION	CITY	HEADQUARTERS
1	Jute and Gunnies Importers Association	New York	McAlpin Hotel
1-2	National Silo Research Council	Chicago	
1-3	National Association of Marketing Officials	Chicago	Congress Hotel
1-5	National Association of Amusement Parks	Chicago	
1-5	American Society Mechanical Engineers	New York	Engrs. Society Bldg.
1-6	National Power Show	New York	Grand Central Palace
2	American Association of Creamery Butter Manufacturers	Chicago	Palmer House
2	American Institute of Weights and Measures	New York	33 Rector Street
2-5	American Society Refrigerating Engineers	New York	William Penn Hotel
3-4	Mirror Manufacturers Association	Pittsburgh	Hotel Sherman
3-4	National Broom Manufacturers Association	Chicago	William Penn Hotel
3-4	National Glass Distributors Association	Pittsburgh	
4	American Association of Wood Pulp Importers	New York	Uptown Club
4	National Society of Record Association	Chicago	Stock Yards Inn
4-5	Toy Manufacturers of the United States of America	New York	McAlpin Hotel
5	Eastern Lumber Salesmen's Association	Philadelphia	Bellevue Stratford
5	National Dairy Association	Chicago	Palmer Hotel
5-6	American Association of Textile Chemists and Colorists	Chattanooga	
9	Shoe Polish Manufacturers Association of America	New York	McAlpin Hotel
10	Linseed Association	New York	Dow Town Association
11	American Standards Association	New York	Engineers Building
12	Clock Manufacturers Association of America	New York	Yale Club
29	American Statistical Association	Cleveland	
31	Association of Official Seed Analysts of North America	Cleveland	

"Budget Control" What it Does and How to Do it

This booklet sets forth—

1. The reasons for a budget in business.
2. How each part of it should be prepared.
3. The principles of its effective operation.

Particular attention is directed to the booklet at this time, because of the peculiar importance of the budget in the control of finances and improvement of organization. The present edition is a second printing, revised and enlarged, of the original issued by Ernst & Ernst in 1925. It has forty pages with six exhibits. *Mailed on request of nearest office.*

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BOSTON	DETROIT	KANSAS CITY	PORTLAND, ME.	TULSA
BUFFALO	ERIE	LOS ANGELES	PROVIDENCE	WACO
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COLUMBUS	HUNTINGTON	MINNEAPOLIS	ST. PAUL	YOUNGSTOWN
		NEW ORLEANS	SAN ANTONIO	
		W. VA.		



NO LABOR TROUBLES

A more contented people than the French-Canadian of the Province of Quebec, probably do not exist anywhere. If you are interested in locating an industry where labor troubles are practically unknown, ask for our new booklet, "Industry's New Magnet."

Department of Development

The Shawinigan Water & Power Company
Power Building • Craig Street West
MONTREAL, CANADA

us the assistance and cooperation of the State Labor Department.

"Heywood Broun, the columnist, whose admirable work in his 'Give a Job Till June' campaign in the New York *Telegram* succeeded in obtaining more than 1,700 positions, guided us in our efforts as chairman of our unemployment committee. At the termination of his campaign we hired Miss Beatrice Norton, with whom Mr. Broun was associated in his work, and designated her as director of the placement bureau of the Manhattan Chamber of Commerce, with headquarters in the Park Central Hotel.

"An appeal was then made to every radio broadcasting station in New York City to announce the establishment of our free employment bureau and urge all those who had positions to offer to obtain their help through our organization. Several times during each day this message has been transmitted.

"With the aid of newspaper publicity, our message has reached a multitude of applicants and the officials of corporations and small business houses who have had positions to offer. Our placement bureau has experienced little difficulty in filling any kind of positions.

"With considerably more applicants on file than positions available, our placement director devotes a portion of each day telephoning large corporations where she believes there is a possibility of securing positions. This method has been productive of results. . . .

"I believe that if every chamber of commerce in the United States established a free employment bureau, without necessarily abandoning temporarily its civic activities as the Manhattan Board of Commerce has done, the unemployment situation would be greatly improved.

"I believe it is the function of every civic organization to lend its efforts in helping to minimize unemployment. There is much that can be done. Every chamber of commerce should determine for itself what work it can contribute to alleviate conditions."—M. R.

Trade Lanes in Miami

THE Industrial Board of the City of Miami has published an illustrated brochure, "Miami, on the Trade Lanes of Land, Water and Air." It shows the centralized location of Miami with respect to exports and imports to and from the West Indies and South America.

Information on weather conditions and other pertinent subjects is given, as well as on the means of trade and transportation to be found in Miami.

WHY TIE THEIR HANDS?

*Don't force your employees
to lose time waiting for
loitering messengers!*



THREE never was a time when employees were more eager to do a full day's work than they are at present. Yet in thousands of supposedly efficient plants they are forced to waste many valuable moments daily waiting for idling messengers to bring orders from far-removed offices.

If your plant is a large one, or if it is situated at a distance from your office, the time now lost in sending orders by messenger can be saved by installing Teletype . . . the Telephone Typewriter. As its name implies, it sends typewritten messages over telephone wires at a speed of 60 words a minute!

Any message written on the sending machine is instantly reproduced by the receiving machine, whether it is located one or one hundred miles away. The receiving machine typewrites automatically, making it unnecessary for somebody to answer before a message can be sent.

Errors in transmission are virtually impossible, as the sender has only to look at what he or she is typing in order to see what is being printed at the other end. Therefore even the most intricate orders and specifications can safely be transmitted by Teletype.

Each machine makes a record for filing, thus definitely fixing responsibility. Machines can be used in either direction, providing instant *two-way* written communication at a cost that in many instances is no greater than the wages of a dallying, unreliable messenger.

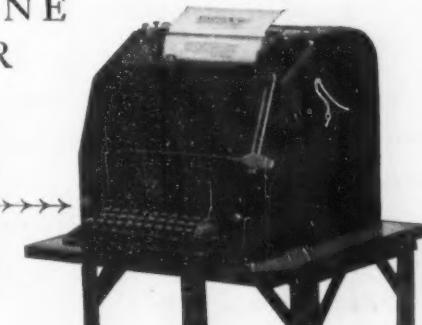
Ask your local telephone company for further details

By speeding up production, eliminating messengers and preventing costly errors, telephone typewriter service pays for itself again and again. Ask the business office of your local telephone company for further details, or, if you prefer, write the Teletype Corporation, 1400 Wrightwood Ave., Chicago.



TELETYPE
THE TELEPHONE
TYPEWRITER

Seated in a manufacturer's office, the girl at the left writes up the day's orders on a Teletype. While at the factory, miles away, the unattended machine at the right instantly records them letter for letter and figure for figure.





Distorted Earnings

Every time a dollar or ten dollars or ten thousand dollars is spent on property, it must be charged either to capital or to expense. If the decision is not based on fact, as revealed by the effect of the expenditure on the property, it is likely to be wrong. And if wrong, earnings will be distorted. American Appraisal Service studies property and the expenditures on it, provides the basis for accurate property accounting.

THE AMERICAN APPRAISAL COMPANY

New York • Chicago • Milwaukee
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AN INTERNATIONAL ORGANIZATION



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A subscription to Nation's Business makes an ideal Christmas gift for your customers, employes, business friends, associates and junior executives.

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NATION'S BUSINESS • Washington, D. C.

Commission-Made Rules Protested

DISTURBED over the announcement that the Federal Trade Commission proposed to revise or reject certain Trade Practice Conference Rules, trade-association executives have entered a vigorous protest to such a move.

The American Trade Association Executives, meeting in Niagara Falls the latter part of September, requested that the Commission adhere to its former policies, under which trade practice conferences have been held for the past ten years.

Any changes at this time might prove upsetting to a large number of industries which are already beset with sufficient difficulties, it was pointed out at the session.

The controversy centers around the question of whether the Commission or the industry shall make binding the rules laid down regarding unfair practices.

The executives contended that the Commission has been granted full power by law to correct or prevent any evils resulting from a misunderstanding or misinterpretation of the Rules, this through official interpretation regarding specific complaints.

Industry's approval urged

FURTHER, the congress of trade association leaders requested the Commission to make no revised or substituted rules for an industry until full approval of the industry involved has been obtained.

Regarding the proposed changes, the trade-association executives resolved as follows:

"The members of this meeting hereby submit to the Federal Trade Commission their protest against the proposed revision and rejection of Trade Practice Conference Rules by the method and in the manner by which it has proposed to revise and reject them, and respectfully urge the Federal Trade Commission to abandon such procedure, to adhere to the policy upon which industries for ten years have been encouraged by it to depend, and to adopt the policy of making specific interpretations of such rules, if, as and when they are called upon to interpret or adjudicate them in connection with complaints duly brought before the Commission."

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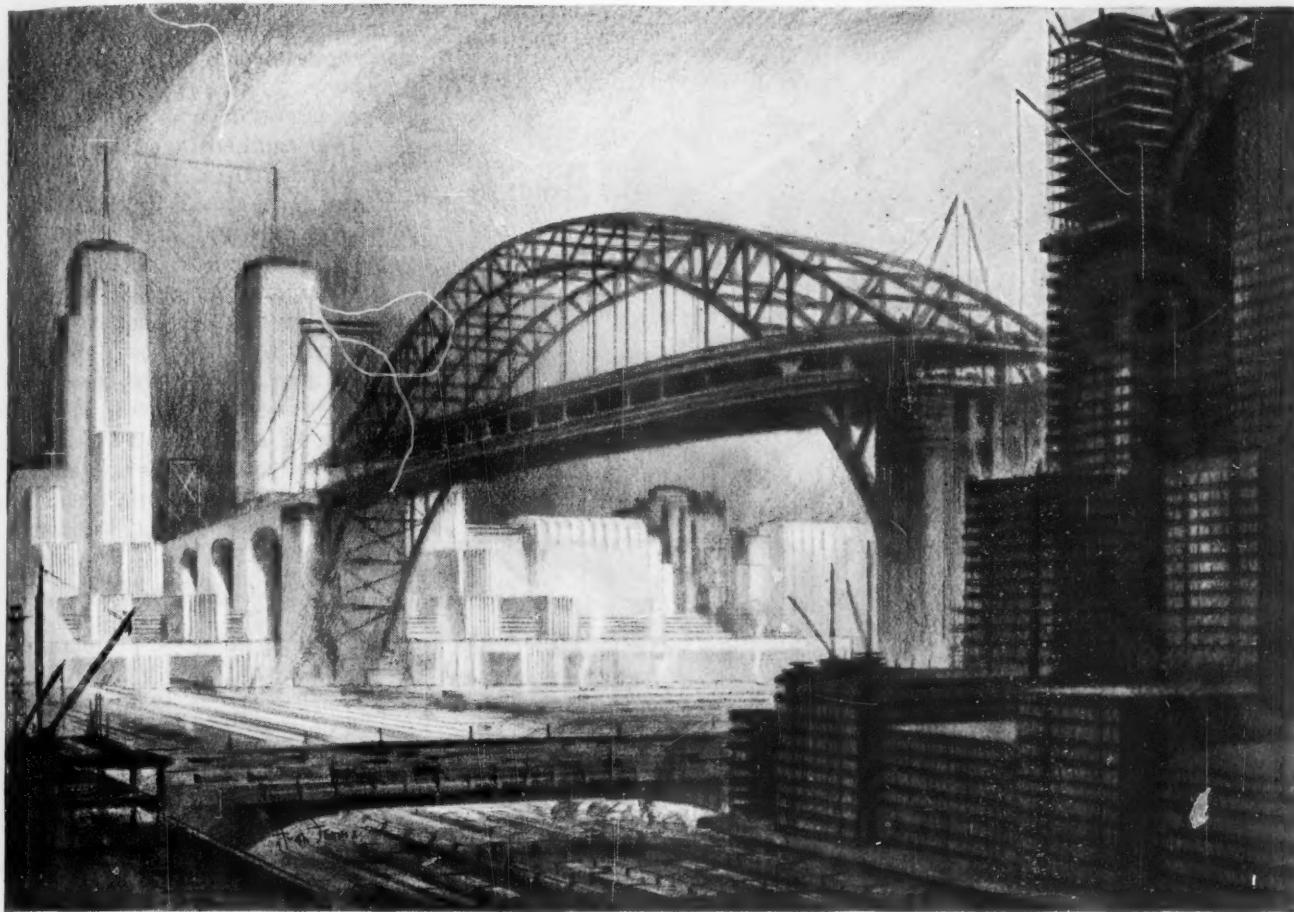
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STRUCTURAL STEEL CREATED THE SKYSCRAPER
TO INDUSTRY STEEL BRINGS BRAWN



"AN INDUSTRIAL DEVELOPMENT"—IMAGINATIVE DESIGN BY HUGH FERRISS. AN ENLARGEMENT, ON SPECIAL STOCK FOR FRAMING,
 WILL BE MAILED WITHOUT CHARGE TO ANY ARCHITECT, ENGINEER OR BUSINESS EXECUTIVE.

STEEL is the modern beast of burden . . . long proved best fitted to shoulder the world's work. In its clean, compact sinews is equal resistance to tensile, compressive and shearing stress. Steel, the strongest building material known to man, can have no hidden weaknesses . . . it is worked and reworked at the mills, rolled and rerolled, tested and tested again.

In industrial plants, steel withstands the incessant vibration of flashing machines and the changing stresses of constantly shifting loads. It is elastic and tough. It is the only material that can be depended upon to recover fully when loads are removed or shocks cease.

The co-operative non-profit service organization of the structural steel industry of North America. Through its extensive test and research program, the Institute aims to establish the full facts regarding steel in relation to every type of construction. The Institute's many publications, covering every phase of steel construction, are

Steel offers the same great strength, resilience and permanence to small factories, to small apartment and mercantile houses, to homes, schools, and small as well as mammoth bridges. It saves building time, provides more floor space. It is most economically erected in any climate—any weather—wherever and whenever men can work.

Before building anything find out what steel can do for you. The Institute serves as a clearing house for technical and economic information on structural steel, and offers full and free co-operation in the use of such data to architects, engineers and all others interested.

available on request. Please address all inquiries to 200 Madison Avenue, New York City. Canadian address: 710 Bank of Hamilton Bldg., Toronto, Ontario. District offices in New York, Worcester, Philadelphia, Birmingham, Cleveland, Chicago, Milwaukee, St. Louis, Topeka, Dallas, San Francisco and Toronto.



AMERICAN INSTITUTE OF STEEL CONSTRUCTION
 STEEL INSURES STRENGTH AND SECURITY

Kemp Brings Efficiency to All Process Heating

**"Now Is The Time To
Install The Most Efficient
Equipment Obtainable"
He stated positively**

The "old man", arguing against any expenditures at this time, slouched deeper into his chair. The engineer, firm in his belief, brought up point after point—proving that now, while production is low, is the economic time to improve equipment all through the plant. Especially—he brought out—is this the time to install the most efficient heating system available for their process heating operations. Now the time to prepare for prosperity—for increased production on the most efficient scale. Now the time to install the Improved Kemp Automatic Gas System. The Engineer won his points because he was right and the Kemp system was installed. Perhaps this is the time to change equipment in your plant, too! Write us for details about what the Kemp system can offer you.

The Kemp System

Correct in the fundamentals of combustion, the Kemp System brings gas to you on an economic basis, realizing to the fullest all of its many advantages. It is the most efficient and dependable means of applying gas to industrial operations in which uniformity of heating, temperature control, safety, reliability and economy in application are factors. You can't be sure that your present system is not costing you the price of a Kemp System every year without giving you any of its advantages if you haven't talked to a Kemp engineer. Take advantage of his service. It costs you nothing and neither does it obligate you. Send for him now. Tear out this page and mail it with your letterhead for detailed information.

**The Improved Kemp
Automatic Gas
System**



When writing to C. M. KEMP MFG. CO. please mention Nation's Business

**The Road to Better
Times**

(Continued from page 17)
great army of modern educated youth is in the same world with the darkness and hopelessness of other lands. America's homes are clean, lighted, warm and secure, contrasted with the homes of primitive families in the far corners of the world. And the story of all this modern marvel is spread by the instant miracle of radio to hearers along dusty paths trod by unshod feet.

Is there any wonder that in such a contrast, in the same world, in the same day, there should be a great ferment, a great moving, the grasping of races reaching for the more fortunate areas above them, the play and interplay of motives and influences at work seeking to improve their own conditions?

Yet, there is one thing in common between these disparities of living standards—the deathless aspiration of man to own, to enjoy, to use, to advance.

Thus, this great welter of contrasting living standards is the promise of the future. What wonder if up and down that scale there are new conflicts and new problems as never before, with new agencies that span the sea and the earth at a speed and readiness which has never before existed!

What wonder that in the protection of living standards menaced by the grasping of those beneath, there should be confusion and fear and error and misjudgment!

Needs and wants must grow

HISTORY and human psychology should teach us that, fast or slow, the 16 hundred million humans existing between these disparities on the scales of living standards will advance along the trail that America has blazed. We know that wants will expand, that possessions and wealth will increase, that trade will grow on orderly development and earning power. We know that the production of hours now idle will create earning power and swell the aggregate of trade along the currents of the world, that more goods will seep by their very pressure into more and more homes.

These forces will be set in motion under the urge of individual gain. These forces will seek those fields in which there is the freest play for that most proper human ambition—fields in which three basic requirements are most evident:

First, natural resources from which things of use are made; second, habits of industry to convert those things into

Hesitated

TO REPLACE A \$200 SALES RECORD THAT SLOWED UP \$10,000

SALESMEN

When a better method of keeping sales records was suggested, the committee said . . . "Why? . . .

We did a good business last year. Things are slow right now and non-essential expenditures not warranted. Wait till things pick up."



The past year sent many in search of these new economies. Hundreds came to Remington Rand. Some of them learned how to make important savings in as little as thirty days! In many cases, new equipment has already paid for itself. Many a last quarter's statement . . . and many a dividend . . . will reflect the result of these better methods.

What about 1931? Are you all set to make *maximum* profits? Call in the Remington Rand man. He has a trained eye. He knows where savings can be made. He will explain how equipment can be purchased out of current expenses and savings . . . and how the Deferred Payment Plan can be profitably utilized. By calling for him you incur no obligation.

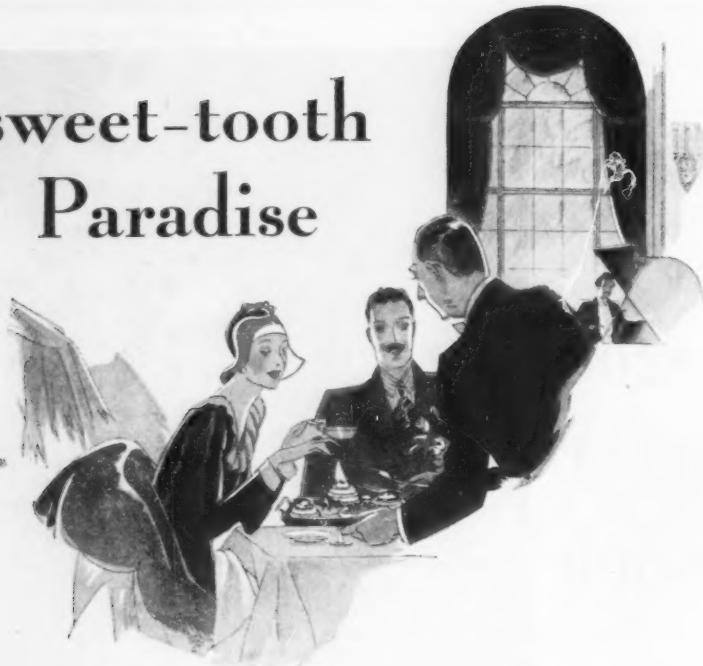
Remington Rand

BUSINESS SERVICE

Executive offices, Buffalo, New York. Sales offices in all leading cities.

LIBRARY BUREAU Filing Systems and Indexing Service . . . REMINGTON Typewriters and Accounting Machines . . . INDEX VISIBLE . . . RAND & KARDEX Visible Records . . . DALTON Adding and Bookkeeping Machines . . . KALAMAZOO AND BAKER VAWTER Loose-Leaf Equipment . . . SAFE-CABINET Record Protection Devices . . . POWERS Accounting Machines

A sweet-tooth Paradise



THOSE of you who like to top off a good meal with a bit of French pastry, naturally like a little novelty and variety to choose from. At Hotel Cleveland you have thirty-five delicious works of art set before you.

Such an array must be what they meant by "food for the gods." A fourteen layer chocolate cake. "Banana Tart," glace with apricot sauce. "Prune Slice," of flaky pastry filled with sweet beaten prunes. "Hotel Cleveland Slice," of pastry and creams and fruits. "Swiss Cake," of nuts and oranges, and cinnamon, cloves and citron in tasty batter. Hungarian Cheese Cake, fluffy Virginia Crullers, and so on and on, until your mouth waters at the sight, and the fun of choosing is only equalled by the delight of eating.

THAT'S TYPICAL

It's not only in French pastry that Hotel Cleveland offers unusual variety and new and different delicacies to tempt your appetite. Any day in the Main Dining Room or Bronze Room you'll find about fifteen entrees, for instance, as many fish dishes, a score of vegetables—all delicious, all prepared with deft little touches that add rare new delight and that make lunching or dining here a happy adventure.

HOTEL CLEVELAND PUBLIC SQUARE ~ CLEVELAND

1000 rooms, 150 of them at \$3 - - Floor Clerks, Servidor Service

The New Union Passenger Station is directly connected to Hotel Cleveland by enclosed passageway. A red cap will take your baggage the few easy steps to the Hotel desk.



When writing to HOTEL CLEVELAND please mention Nation's Business

use; third, stable and sound government under which these forces can operate.

As to the first, nature has bestowed these on every land to some degree. As to the second, it is fortunate that the universal human impulse is for orderly employment. As to the third, we have already offered proof of its necessity.

Governments today are unstable because of the economic distress that flows from a violation or a displacement of the new and complex machinery of trade and industry. But we know that sooner or later we will have such team-play between government and business as to bridge the obstacles to trade, that business conviction expressed without color or self-interest will be listened to and respected, that government, entrusted with the welfare of its people, will realize that it must profoundly study and observe economic law.

The individual welfare of all people is wrapped up today as never before in a proper understanding and proper relationship between government and business.

Business must conduct itself in a way to win public confidence. Government must learn that business conviction, matured after careful study, observation and experience, must be respected in policies of government.

In the Chamber of Commerce of the United States, the roll of men who have given freely of their time to the study of the proper solution of public questions reads like an honor page from economic history.

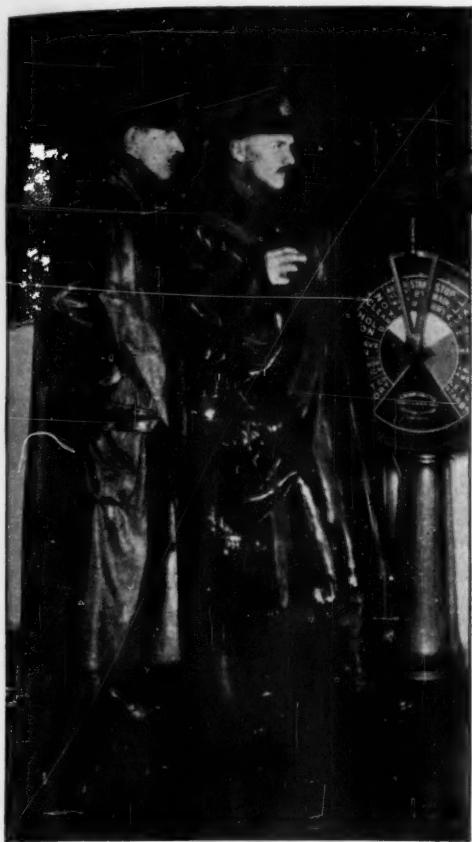
No name in business achievement is too high, no pressure of private affairs too great, but that the National Chamber may call upon leadership and ability to join in considering questions of national importance, in recommending policies to be pursued on such questions.

The record of 18 years

THIS record of business judgment on public questions and the Chamber's recommended treatment of these questions now extends over 18 years and discloses few real errors. Often, such recommendations have not been accepted. Often, such conclusions have for a time been ignored or flouted. But business opinion has learned to be patient. It has learned that projected policies, if wisely and accurately framed, will justify themselves.

If such advice is to grow in weight and influence, it must be framed with utmost care, submitted in a spirit of national helpfulness. With this done, organized business, free of any partisan

The capt...
lays his f...



The captain of industry, like the captain of a ship, lays his future course from records of the past.

HERE'S A FORECAST OF PROGRESS ★ ★ ★

Stormy weather forces a ship's captain to navigate from the past record of his course . . . In like manner the captain of industry in times of business uncertainty turns to recorded facts for his estimate of the future . . .

Read the record of the Carolinas for the past thirty years and you can easily forecast the progress of the next ten:

In 1900

There were 118,705 industrial wage earners in the Carolinas.

Wages then paid annually were \$23,324,330.

There were 257 cotton mills, 69 furniture factories, 30 knit goods manufacturers.

The six leading industries in 1900 produced the following: Manufactured foods, \$1,954,303. Furniture, \$1,617,263. Other wood products, \$160,368. Textiles, \$60,392,748. Textile finishing, \$175,750. Tobacco, \$13,882,210.

Value of all manufactured goods amounted to \$153,668,394.

Bank clearances were considerably under \$100,000,000.

There were 27,609 telephones, 16,178 automobiles and less than 3,000 miles of surfaced road. Miles of paved road in 1900—none.

Expended for public school education, \$1,844,000.

Population, 3,234,126.

In 1930

At present there are nearly three times as many—over 350,000.

Today's annual payroll is in excess of \$232,872,300.

Now there are 695 cotton mills, 146 makers of furniture, 139 knit goods plants.

The six leading industries today exceed the following: Manufactured foods, \$44,000,000. Furniture, \$57,000,000. Other wood products, \$90,000,000. Textiles, \$624,000,000. Textile finishing, \$26,000,000. Tobacco, \$392,050,130.

Now total value of manufactured goods is over \$1,512,980,000.

Last year bank clearances totalled \$1,553,628,000.

This year there are 238,900 telephones, 739,827 automobiles and 44,993 miles of surfaced road. Paved road, Jan. 1, 1930—6,489 miles.

Public school budget for 1930 exceeds \$54,725,000.

Population, 4,902,854.

Why this development since 1900? What of the next ten years . . . the next twenty? You will find a clue to the answers in the book, *PIEDMONT CAROLINAS, WHERE WEALTH AWAITS YOU*. It shows the permanent, underlying advantages that have made this a great manufacturing section . . . advantages that are destined to make it even greater.

Sent, on request, to business executives. Address, please (on business letterhead) Industrial Department, Room 109, Power Building, Charlotte, N. C. Your inquiry will receive a prompt, courteous response.

DUKE POWER COMPANY

SOUTHERN PUBLIC UTILITIES CO. AND OTHER ALLIED INTERESTS

**PIEDMONT
INDUSTRY
CAROLINAS**

IN THIS DOMAIN



INDUSTRIES ARE NOURISHED *by natural gas*

With natural gas the cleanest, most efficient, most economical fuel for industrial use, and with Oklahoma producing 20 per cent of the nation's supply of this fuel, the attention of American industry is becoming more and more focused on Oklahoma as a manufacturing site.

In addition to its own gas production Oklahoma is centrally located in a tier of five states which produce 58 per cent of America's natural gas. In this section natural gas is almost universally accepted as the standard fuel, and this explains the cleanliness of the busiest Southwestern industrial cities, the well-being of the populace and the healthful growth of the industries using natural gas.

A nationally recognized economist recently said that Oklahoma and one other southern state are destined to set the pace in industrial growth and expansion in the South for years to come. There is no doubt but that the presence of an abundant supply of clean, efficient, cheap natural gas for fuel influenced this prediction. But Oklahoma has other advantages: She has tremendous reserves of high-grade coal, is the second ranking state in mineral production, is outstanding in agriculture, and offers the finest water for both domestic and industrial purposes. Oklahoma's mild, sunny year-round climate guarantees minimum costs of housing, heating, lighting and ventilation. Transportation facilities are excellent and the state is centrally located for the manufacturer serving either the Southwest or the nation.

The lowest industrial gas rate ever offered by a major distributing organization is now enjoyed by all industries served by the Oklahoma Natural Gas Corporation. This corporation, in addition to supplying gas to industrial users, serves domestic gas to practically every city of importance in Oklahoma. The Industrial Department of the Oklahoma Natural will make special surveys for industries interested in this state, and inquiries will be accepted in confidence.

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or political color, will become a great continuous force of stability for the nation, will be able to assist in projecting a sound and stable form of government through changing administrations and shifting political parties.

With this accomplished, our living standards, our aspirations, those things which would lift the surpluses and restore the buying power of the entire world, become the inspiration to hold our place in the world until the world can catch up with us.

These are precious things to treasure, to understand, to preserve. They constitute the reason why we in America today, although we have three or four million out of work, have probably 42 million receiving their regular earnings as against 31 million in 1921.

They are the reasons for an increase in retail trade during the past ten years from 20 billions to 60 billions of dollars. They explain our 20 million telephones and 25 million automobiles and our 60 million electrical appliances.

They are the things that give inspiration and color to a great effort at team-play, that individual distress shall not be the basis for introducing new and lax and undermining social theories. They are the assurance that, with the resourcefulness inherent in American character since the day of the frontier, we shall set up individual, sturdy self-reliance to meet this situation so that no man honestly desiring work shall suffer from cold and hunger and that industry shall find its day preserved to it for the resumption of the onward march.

They are the blazed trail that we shall follow in reaching the road to better things.

Versatile Mr. Heckscher

AUGUST HECKSCHER'S career knocks into a cocked hat the theory that the man who scatters his talents and efforts among many different undertakings ends in mediocrity or disaster.

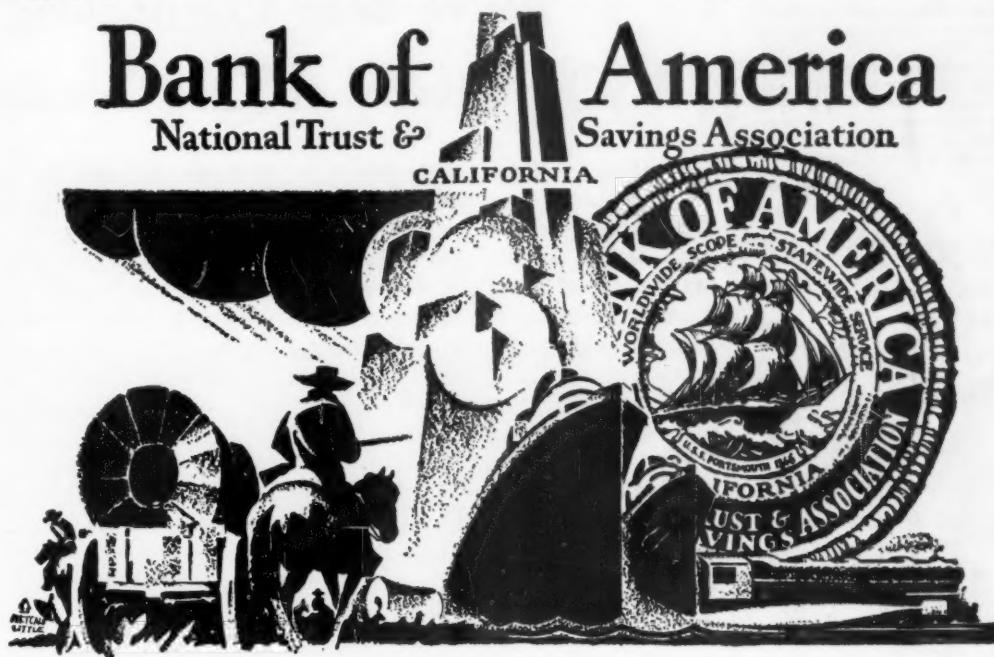
Arriving in New York City in 1867 a German lad of 19 unable to speak English, Heckscher got a job in a mine in the Pennsylvania anthracite fields.

Before he had been in the United States 45 years, he had made himself a magnate in coal mining, the zinc business, real estate and its development, copper mining, the iron business, steel manufacturing, Cuban grape-fruit production, manufacture of fire engines for municipalities, and several less important activities.—J. H.

RESOURCES MORE THAN ONE BILLION DOLLARS

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THE CONSOLIDATION of these institutions unites the resources, facilities, service, prestige and good will of two great statewide banking organizations and marks one of the greatest forward strides in the financial progress of America. ► It completes the structure begun by A. P. Giannini, bringing to every center of business, of industry and of agriculture in California the complete metropolitan service of this billion dollar bank. ► The growth of Bank of Italy National Trust

and Savings Association and Bank of America of California is one of the outstanding features of American banking history. Both organizations have distinguished themselves in constructive achievement and in helpful, human, statewide banking service. They have attracted a combined patronage greater than that of any other bank in the United States.



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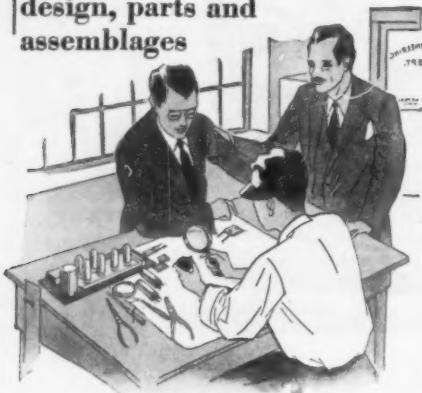
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 Powell Street, San Francisco—or Seventh & Spring Streets, Los Angeles

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Thinking in the right material

The right workabilities, right functioning, right appearance, right possibilities of simplification of design, production, assembling and inspection. For some companies these have meant everything, for success against competition. Men who want ideas, for betterments and economies, should study closely every product in which NVF or Phenolite is used.

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thinking in the
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material

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We've Been Overlooking Opportunity on Our Doorstep

(Continued from page 37)
sideration of the speed with which great engineering feats are accomplished and new markets are developed. In communication we have reduced months to seconds. In transportation weeks have been cut to hours. Capital and industry operate now in units large enough to make light of tasks regarded as insuperable 50 years ago.

Even in the more isolated Indian villages—and the Indians still constitute a large per cent of the population of Latin America—this stirring romance of today's achievements has not gone unnoticed. We in the United States take our economic and cultural possessions for granted. In Latin America, however, these colorful pages of history are darkened by a race memory of 300 years of oppression. These people are keenly alive to the fact that a new economic order has come into existence in the United States and their minds are ready and eager for a duplication of it in their own countries.

Obstacles largely mental ones

WE should be able, therefore, to do in ten years in Latin America what it took us more than half a century to accomplish here. I sometimes think that development of this vast, economic empire has been delayed more by what is in the minds of business men in the United States than by any real physical, financial or merchandising difficulties at the points of distribution. The United Fruit Company has more than a thousand college graduates from this country holding all sorts of positions in its various Caribbean operations. When they come home on leave they never cease to marvel at the questions asked them by American business men, indicating a widespread belief that business in the tropics is shot through with mystery. No advice that anyone may give on how to do business in the tropics is likely to be worth anything until our minds are cleared of such fallacy and opened to the fact that human beings everywhere are pretty much alike. The Latin is no exception. He needs no more special handling than the typical American.

Since the language and the customs

of Latin America are different, however, and since the customer there is new, it follows that, to gain his confidence and to keep him as a permanent customer, the highest type of management is essential for operations in the tropics. The high-pressure salesman, the go-getter and the fly-by-night promoter have no place on the scene. Character is the first essential. It should be blended with patience, and the willingness and ability to make the same sort of market studies which any American corporation conducts before it enters a new field at home.

Look before you leap

SOME American manufacturers of articles sold at home under a brand name having a nationally known meaning have tried to invade the tropics without determining whether the meaning would be identical on translation. Others have gone in with no knowledge of the laws of the various countries.

Errors of that type—distinctly not the fault of the Latin American—strengthen the idea that he must be handled with gloves. They deter others from seeking new markets in the field, or they have the effect of confining the effort to periods of poor business at home. The great majority of all North American failures in South and Central America are due to the fact that they were undertaken as stop-gap ventures rather than as permanent developments.

While these companies were falling by the wayside United Fruit has grown over a 30-year period from a small beginning to a point where its investments in Latin America have exceeded 300 millions. This growth is gratifying, of course, but executives of the Company familiar with opportunities in the Caribbean do not regard it as extraordinary. It has been gradual and steady, and it is typical of what may be done in other lines through sound and conservative policies.

One of the basic policies of United Fruit has always been to operate in any country under the laws of that country, and thereby to make its business as nearly as possible a home rather than a foreign industry.

Large American corporations going

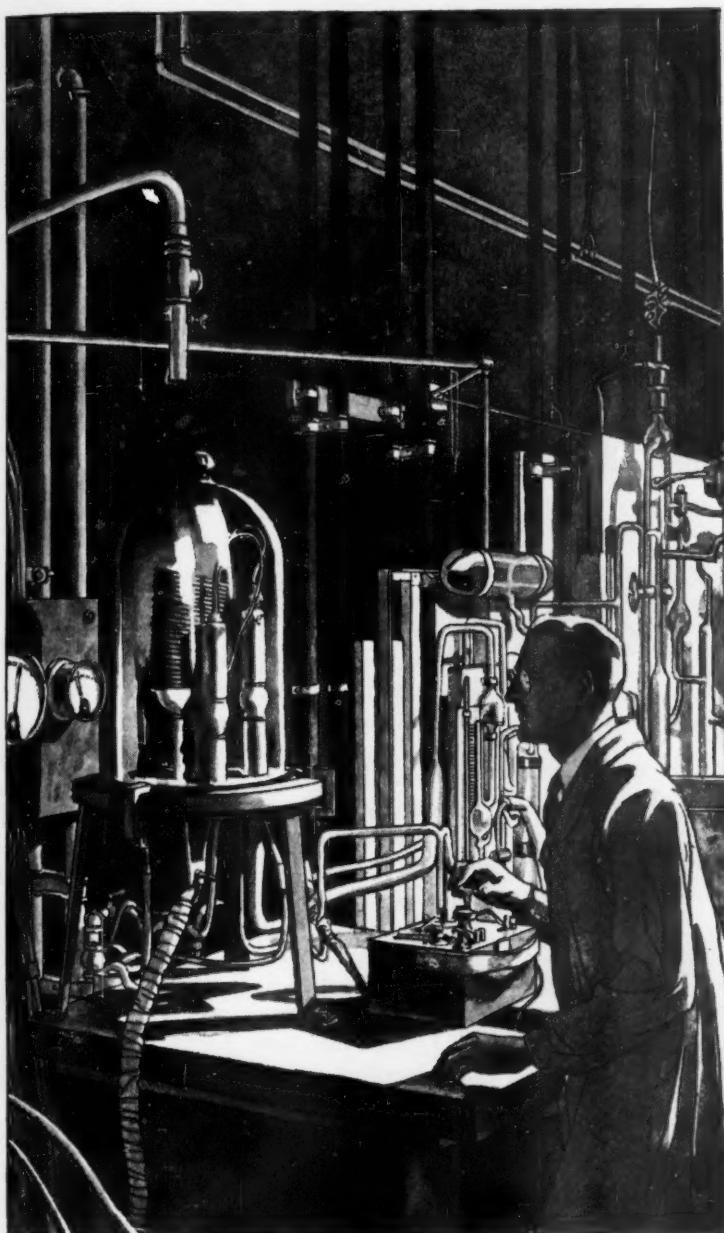
♦ ECONOMICS OF THE ELECTRICAL INDUSTRY ♦

TOMORROW'S COST PROBLEMS...

...in Today's
LABORATORIES

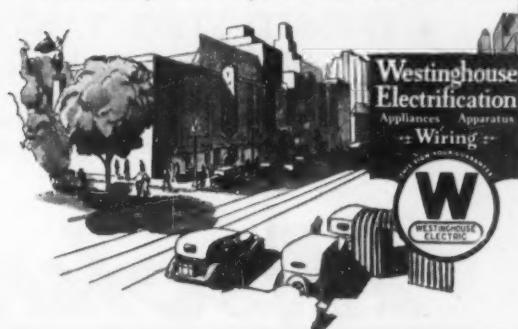
Modern science may well smile at the medieval alchemist, calling vainly upon the powers of darkness to aid him in transmuting base metal to gold. The workers in today's research laboratories call upon the powers of electricity — and secrets of far greater value are their almost daily reward.

It is impossible to estimate the vast increase to the world's wealth that electrical research has brought. In the Westinghouse laboratories at East Pittsburgh alone, discoveries valued well into the billions have been made. A cost-saving contribution to a single industry may be worth millions. A new metal to cut down transformer losses, a De-ion circuit breaker that eliminates oil quenching and consequent fire hazard, a marvelous "electric eye" that performs all manner of human tasks — and never forgets; these modern Westinghouse developments are part of the day's work typical of an organization devoted to enlarging the service of electricity in every field of modern life.



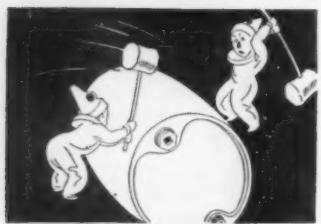
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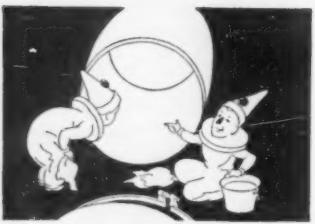
It's Easy to See



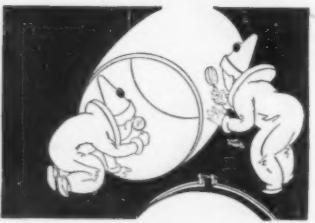
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Without Denting



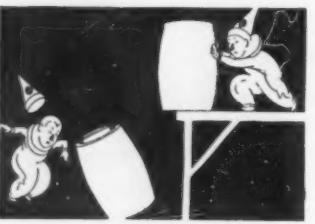
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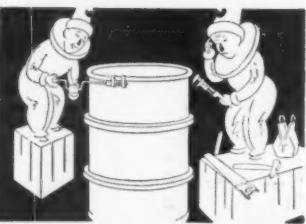
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into the Caribbean or elsewhere in Latin America for a permanent market must expect to invest capital. These countries, in other words, can be developed only as the United States was developed. It is not so many years since virtually all of the capital for American railway and industrial expansion came from Europe. Latin America offers an even more alluring opportunity today than did the United States after the Civil War, not only because of the greater efficiency of industry and commerce, but because her people know what they want and are eager to get it.

In the present stage of world economic affairs the United States is almost without competition in the field. No other nation is in a comparable position with respect to capital seeking an outlet. But that condition will not endure forever.

Wide field for development

SOME time ago I made a casual list of these opportunities. It included power and light for a whole continent, the extension of railways and tramways, the building of highways, the development of agriculture—so far untouched on a large scale save in bananas, coffee and sugar—particularly in cotton, tobacco, cacao, fruits, wool and rubber; mining oil, merchandising and banking. There are no department stores in Central America and, although American banking interests have made tremendous progress in the past few years, facilities in this respect are still inadequate.

It should be noted that this list is not the result of any survey or detailed study of the field. It is based more on the actual record of things the United Fruit Company has had to do to operate its railways and plantations which are essentially of a public nature—harbors, railways, hospitals, radio communications, bakeries, laundries and modern sanitation programs. Over a 30-year period we have found this to be an excellent business investment, and we have never at any time expressed a wish to be relieved of it. As American capital flows into Latin America the demand from states and communities for similar facilities may be expected to make itself manifest.

The cost of doing business on a large scale, in other words, may be expected to decrease with the increase in prosperity of the people and the elevation of their standards of living. That, in turn, means that while today the opportunity is greater for the big corporations with adequate capital, which can afford to invest for the long pull, the

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openings for small businesses are increasing day by day. Likewise, the opportunity for the individual who can speak Spanish and who has learned at first hand something about the customs of almost any Caribbean or other Latin American country is greater than ever. He is the type of man who must do the preliminary surveying for large American corporations.

The United Fruit Company requires 100 modern steamships with passenger facilities to handle its business. For a number of years this fleet comprised practically the only regular service between the United States and the Caribbean. As an indication of the interest already aroused in the United States it might be pointed out that in 1929—despite a slackening of export and import trade and increasing competition in the passenger service—a record volume of business was established by our Company for both freight and passengers. Our ships steamed 6,290,791 nautical miles, carried 75,979 passengers and 245,933 bags of mail, brought 761,000 tons of fruit to this country and handled 1,082,128 tons of general cargo from this country to the tropics.

Caribbean travel growing

OUR cargoes to the tropics included cotton goods and cutlery, safety razors and agricultural implements, boots and shoes, talking machines, motor cars, tableware and silver, stockings, alarm clocks, cooking utensils, cosmetics, millinery, furniture, and even a smattering of sporting goods. The increasing passenger traffic is even more significant. Ten years ago there were five competitive Caribbean cruises annually; now there are more than 50. Americans are beginning to learn something about the new market at first hand.

If I were starting anew in the tropics as an individual I believe I should look to some line of merchandise sold under a nationally known brand, making sure that the trade name translated readily. These people who have not had our breakfast foods and lacquers, our canned soups and various other packaged goods, are likely to stick for a long time to the first suitable brand introduced to them. Most of them already are able to buy merchandise; the others will be in the buying groups soon. Our Company placed \$42,419,960 in circulation in the Caribbean countries last year—\$28,420,060 for pay rolls and \$13,999,900 for purchased fruit and sugar cane. Pay rolls of other large American corporations are mounting annually. The customer is ready to be served.



THE MAN WHO BUILT ST. PETER'S . . . ALSO DESIGNED A UNIFORM

Poet, painter, architect, and sculptor, Michael Angelo not only built St. Peter's, painted the Sistine Chapel, carved the Moses and the David—he designed the uniform of the Vatican Guard.

In the magnificent background he created for the Church, he knew the importance of every detail. Even the livery of a servant was worthy of his care.

Today Business is creating its background. Beauty is being used to increase prestige. Beautiful furniture and rugs are chosen for impressive offices. Even the quality of business stationery—the uniform of their letters—is not beneath the notice and care of important executives.

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Making the Tariff Really Flexible

(Continued from page 44) such as Paris gowns and Wedgwood China, are sold on a style or prestige rather than a cost basis. Even if production cost were a true measure of the competitive strength of foreign and domestic articles in a common market the ascertainment of sound costs under the most favorable conditions bristles with difficulties.

Difficulty in cost finding

IT IS difficult enough to obtain from a farmer who produces a dozen staple commodities his cost of production on butter or on eggs even if the farmer cooperates. But how about the difficulty of obtaining costs from a producer who may consider it to his advantage to withhold information or to lead cost agents astray? Some countries, such as France and Italy, take no pains to conceal the fact that the visits of American cost-finding agents are unwelcome. In the flax-seed investigation Argentina ordered the Commission's agents to keep out of the country. In brief, the law was becoming unworkable, with the Commission under bond to make bricks without straw.

As to the administration of the law, the less said the better. From the first, the Commission was torn by factional controversies. For years the Commission was hopelessly split on problems such as transportation. Under the law, should transportation be considered an element in the cost of production? An appeal to the Attorney General of the United States brought a ruling that transportation should be considered by the Commission, but that did not conclude the controversy.

It was easy enough to assess transportation charges on a foreign article to an American port, but how assess charges for a competing domestic article from various centers of production in this broad land to a multitude of markets?

In an issue of this sort each case should have been settled on its own merits under a rule of reason or common sense and in a spirit of give and take, but everything had to be fought out mathematically to the fifth decimal.

In the eight years of its existence the old Commission adjudicated only 50 cases involving a change in duty. The average elapsed time from date of ap-

plication to submission of the report to the President was two years, six months, and twelve days. Under the old procedure the public hearing was held toward the close instead of at the beginning of the proceeding.

The new Commission has swept away this entire cumbersome procedure. It expects litigants to prepare their own cases and, to this end, holds the public hearing at the beginning of the investigation. The new practice bears analogy to that of a court. It has been said that for every legal wrong there is a legal remedy. If any person feels that he has suffered a legal wrong because of a tariff rate he should be able to find in the Tariff Commission a forum for hearing his complaint and obtaining a legal remedy.

It is clear that if a tariff litigant is entitled to a remedy he should have it with reasonable dispatch. It doesn't help him much to be assured that the Commission will look into his case and report, in two years or more, possible measures of relief. Two years may mean a lot in the vital statistics of precarious businesses.

Red tape for trivials

THE finely meshed net of the old Commission let nothing get by. Its procedure provided for boards within boards, wheels within wheels, checks and counterchecks. Its failure to measure up to public expectations was due to no lack of zeal or industry. A multitude of matters that could have been settled by subcommittees or routine administrative assistants had to be threshed out by the Commissioners.

The voluminous reports prepared for the President's guidance were nothing if not thorough. Some of these reports ran to more than 100 closely printed pages. The old Commission came in for plenty of criticism.

Congress has been merciful to the Commission in liberalizing the new law. While Congress was not ready to abandon the old formula of production costs it did provide a legal route or two by which the Commission could arrive at determinations if production costs were not readily ascertainable. Under the new law the Commission may accept as evidence of foreign production costs, invoice values of the foreign commodity and wholesale selling prices over

a representative period. Both of these factors provide good evidence as to measurable differences in competition. In the case of flax seed, for example, the Commission no longer needs to irritate the Argentinians by an inquisition as to costs which the Argentine producer himself doesn't know. Invoice values of flax seed shipped to this country and prices based on actual transactions in such markets as Marseilles, Liverpool and New York may be had in the number of days it took months under the old system.

Speeding up procedure

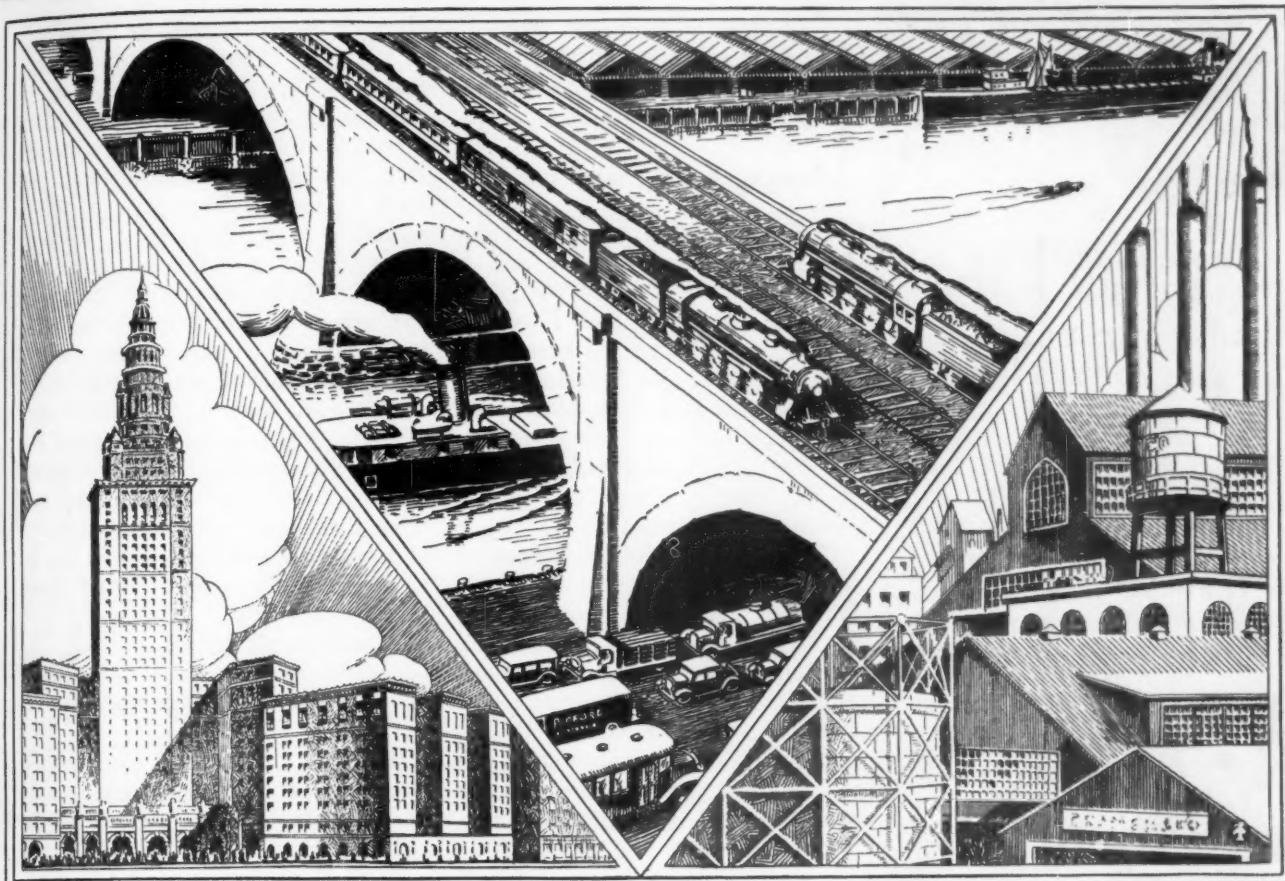
AS I write, the new Tariff Commission with but four weeks in office has swept away the old cumbersome procedure and set up in its place a direct and simple procedure. Public hearings have already been arranged for 13 important commodities. These cases will have been heard and most of the reports completed for presidential action within two months. Handling of change in duty cases thus bids fair to become a matter of months instead of years. Judging by the cases already undertaken it is evident that the new Commission intends to give a balanced operation to the flexible provision. Out of 50 cases adjudicated by the old Commission in eight years, 32 resulted in increases in duty. Thirteen were not acted upon by the President. Only five cases resulted in a decreased duty and all the decreases were on articles of small importance, such as paint brush handles and live bob-white quail.

Congress has blessed the new Commission by clarifying and liberalizing the law which it must administer. Furthermore, the Commission enjoys the confidence and support of the President.

It may take the country a generation or more to accept whole-heartedly the principle of the correction of inequalities in tariff rates by a Commission, just as it took the country a generation or more to accept without question the principle of correcting inequalities in transportation rates by the Interstate Commerce Commission.

[EDITOR'S NOTE: Mr. Dennis' views as expressed in this article are personal and are not to be accepted as carrying official significance.]

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He Expects Depression to Pay Dividends

(Continued from page 40)
count. We'll send the stuff along and it will be waiting for you when you get to the house."

Advantages of a charge account

THE Charleston customers had been educated very largely to pay cash in Charleston and carry their charge accounts in Cincinnati and Pittsburgh stores with which they did business by mail. They knew the advantages of a charge account. It is much easier to say to the clerk:

"I don't like these shoes. Credit my account—"

Than it is to say—

"Give me \$18 out of the drawer."

It is especially easy in the Coyle and Richardson store. Coyle gave his clerks authority to settle the simpler questions over the counter. More complicated complaints, into which the question of quality entered, are referred to the department heads. If they are still tangled the dissatisfied customer goes direct to Coyle. His desk is on the open mezzanine, overlooking the main buying floor. There is no screen or office boy. The customer may walk right in, plank whatever it is down on Coyle's desk and say:

"I don't like this thing."

Ordinarily the matter ends there. But Coyle holds that the customer is not

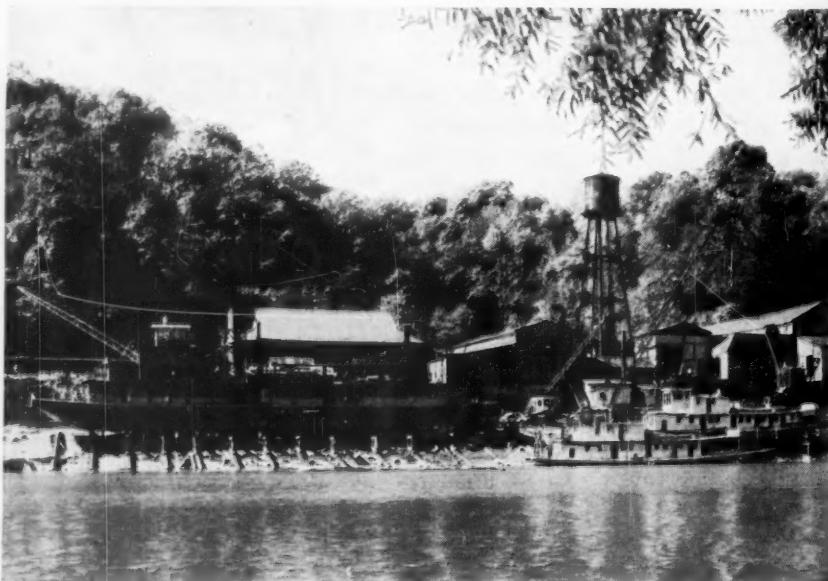
always right. He believes in "being fair to the store." Plenty of latitude is allowed the buyer, of course. That is modern practice. Coyle realizes that human flesh is frail and prone to error. But the chronic returners—there are some in every community—are dealt with differently. At intervals Coyle personally checks up on the returns and the returners. If he finds that a customer has been—for a long time—in the habit of returning an undue proportion of the goods bought he writes a pleasant letter:

"Sir or Madam: I fear that our service is no longer giving satisfaction for I note that you have returned many articles of merchandise in the past few months. This is as disappointing to us as it is to you, of course, and cannot be allowed to continue. Will you not come in and talk it over?"

Or words to that effect.

Returns mean lost money

USUALLY that settles the trouble. Now and then a chronic goes on returning. Then he or she is lopped off. In kindly fashion, of course. Nevertheless—lopped. Sometimes a customer takes offense and quits. When he has thought it over he usually comes back. The returning habit, Coyle thinks, is largely due to the customer's failure to think things through. The fewer returns the less money needlessly spent on deliveries



The shipyard adds its share to swelling the number of industries and total business of Charleston

He had never thought of Diesels for his plant . . .

but when he
saw the savings . . .

LIKE a good many business executives, to him power was just a staple necessity of manufacturing which you paid for as inevitably as taxes. As for Diesel Engines? Outside of submarines during the War and press items of a new airplane engine making spectacularly low cost flights, he had heard little of Diesels and had never thought of them in connection with his factory.

Then came a business recession and items of cost previously taken for granted came under searching scrutiny. Even power costs were questioned. His Plant Engineer suggested Diesel-generated current as a possible source of savings.

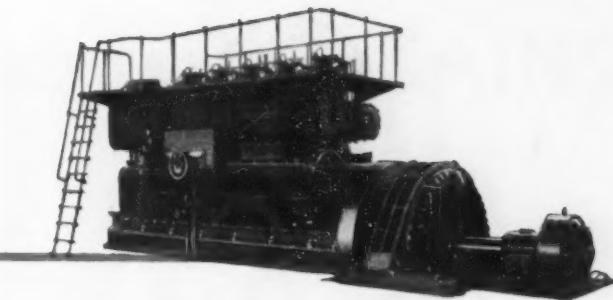
So naturally he turned to America's largest manufacturers of Diesel Engines for information. He frankly told the Fairbanks-Morse engineer who answered his inquiry that he was skeptical, but if a saving could be made he wanted to know about it. To his surprise, the engineer did not at once launch into a sales talk. He merely asked the Executive for permission to check present power costs with the plant auditor and consumption with the plant engineer.

In a few days the F-M engineer was back. He had put meters on the plant and knew the facts about its use of power. He had present costs from the auditor's books. He showed the Executive what a Fairbanks-Morse Diesel would generate that same power for, at the price of fuel and lubricating oil prevailing in that locality. To these he added the cost of attendance and a liberal allowance for maintenance—and still the figures indicated such a radical saving that the Executive jumped at once to the question of the investment required to install the Diesel generators.

Then he learned about the Savings Payment Plan!

The Fairbanks-Morse engineer told him how he could put in the equipment at once and showed from his figures how in comparatively few months the Diesels pay for themselves and thereafter the factory would take the profits. The Executive couldn't pass that one up. He saw at once that these engines must reduce his power costs or Fairbanks-Morse could not risk a financing plan so advantageous to the buyer. He saw he was taking no chances and placed the order.

No fanciful story of savings is this. Fairbanks-Morse will gladly furnish from its records actual data on hundreds of engines purchased and financed in just this way. And also give actual dollars and cents proof of the savings the owners of



these engines are now making. Without obligation on your part a Fairbanks-Morse engineer will survey your power requirements and show you the savings possible with Diesels.

FAIRBANKS, MORSE & CO.
900 S. Wabash Ave., Chicago — and 32 principal cities

An interesting booklet describing F-M Diesel savings in many industries will be sent executives on request. Ask for Publication No. 3010.

OA4049

FAIRBANKS-MORSE DIESEL ENGINES

MOTORS

PUMPS

SCALES





A BILLION DOLLARS IN ASSETS *behind Cities Service Petroleum Products*

LOOK to the resources behind the lubricants and gasoline you use, for parentage is a valuable protection.

Cities Service resources are those of a billion dollar organization—nation-wide assets represented in extensive oil fields, refineries, pipe lines and tank ships, marketing systems; and owned and operated public utility companies.

The public utility companies operated by Cities Service serve millions of people and thousands of industries with light, heat and power. Cities Service motor coach lines furnish transportation to many millions more. These great business enterprises are all users of Cities Service products, consuming vast quantities of oils, greases and gasoline.

It is in this great practical laboratory that Cities Service products are put to gruelling tests. They come to you only after having been tried and proved from every known standpoint of economy and industrial efficiency.

Cities Service learned how to solve your lubrication and fuel problems by first solving its own. You can have the benefit of these long years of experience and costly experimental work by requesting an interview with a Cities Service engineer.

CITIES SERVICE INDUSTRIAL OILS
QUALITY PROVED WHERE IT SHOULD BE PROVED — IN INDUSTRIAL USE

CITIES SERVICE OIL COMPANY
60 WALL STREET NEW YORK

Cities Service Radio Concerts, Friday 8 P. M. Eastern Standard Time

When writing to CITIES SERVICE OIL COMPANY please mention Nation's Business

and bookkeeping. Nor does he believe in sales on which the store loses money.

When he advertises a sale he aims to give value but he does not bait hooks with bargains that are costly to the store. Such bargains do not win permanent customers. Under this direction the store grew.

All this is preliminary.

The time came when Coyle and Richardson were doing all the business they had any right to do in a city the size of Charleston. There was only one way in which more business could be done. That was to enlarge the city.

The reader may think this is exaggeration. It isn't. The city was enlarged.

How a city expanded

CHARLESTON is on the Kanawha River. It has one of the loveliest settings imaginable. The river is navigable until it runs into other rivers that are navigable all the way to the sea, if one wanted to navigate that far. The city is surrounded by hills packed with minerals, underlaid by saline solutions. Today the speed and scope of West Virginia's progress leave the visitor breathless. Chemicals thunder out in nightly train-loads. Treasures are extracted from smoke. A nine-million-dollar hydraulic scheme is tunnelling a mountain for its water-turned turbines. One of the country's great shipyards is at work in this inland state. A list of the new developments would fill a page of this magazine.

Coyle would be the last to claim an individual credit for the change in Charleston. He was one of many. Yet the fact remains that he was then president of the Chamber of Commerce and the live business men of Charleston were members of that body. Perhaps it was spontaneous combustion at a meeting of the Chamber. Coyle and the others who thought his way got behind it. The Chamber decided to advertise Charleston's advantages.

A survey was made of the Kanawha Valley and the Charleston district and the men who might do things were told what things could be done. The Chamber told about it again, and again. The facts cited stood up. The plan worked. Outside capital began to do things. Charleston began to grow. Good roads were needed and they were built. People from nearby towns and farms and mines began to come in to trade. The town began to change. The Coyle and Richardson Store had been in the old, staid, rich shopping street. Coyle saw that the town was growing away from it.

"So we moved," he said. "We went to what we believed would be the new

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OVER THE MOUNTAINS WITH MAMER

THE FORD PLANE

The Ford plane is planned, constructed and operated as a commercial transport. Built of corrugated aluminum alloys, it has great structural strength and durability, and is most economical to maintain in operation. The uniformity of its material is determined by scientific test. All planes have three motors in order to insure reserve power to meet and overcome emergencies. The engines may be Wright or Pratt & Whitney, totaling from 675 to 1275 horsepower. Ford planes have a cruising range of from 580 to 650 miles at speeds between 55 and 155 miles per hour. Loads carried from 3630 to 6000 pounds.

The capacity of these planes is 9 to 15 passengers and a crew of two (pilot and assistant). Planes can be equipped with a buffet, toilet, running water, electric lights, adjustable chairs.

The price of the Ford tri-motored, all-metal plane is exceptionally low—\$40,000 to \$50,000 at Dearborn.

Ford branches will be glad to give you information on the Ford tri-motored, all-metal plane in all models.



An M-A-T Ford transport above the clouds

EVERY DAY a Ford tri-motored, all-metal plane soars over Seattle and Tacoma, circling up like a homing pigeon, above mountains and clouds to an altitude of 12,000 feet; then, heading eastward across the white and green crests of the Cascades, it flies in a bee-line for Spokane, through the golden sunlight of the Inland Empire. Within an hour it rolls gently to the landing-stage.

Mamer Air Transport operates two Ford 4-AT transports over this air-line, each day winging across the mountains and over clouds smoothly and dependably.

After a full year of operation the Mamer Transport Company reports:

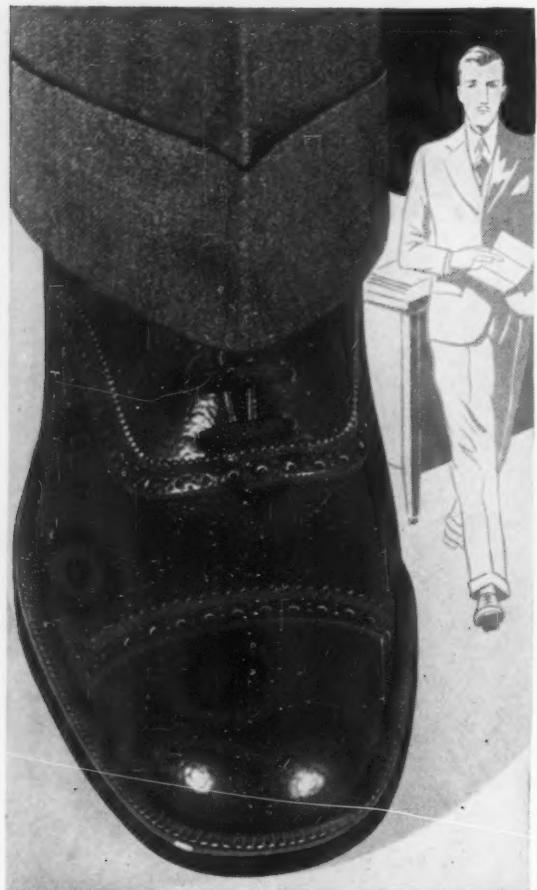
"To date we have not had one cent of maintenance cost as a result of wear and tear."

This is one reason why both operators and the flying public use Ford tri-motored, all-metal planes for commercial, private and military use.

FORD MOTOR COMPANY
Visitors are always welcome at the Ford Airport at Detroit

At Spokane in the sunny Inland Empire





**Who's
Boss . .
. . you or
your feet?**

DON'T let your feet hold you back. Enjoy foot health by wearing the Arch Preserver Shoe. This is the original and only ARCH PRESERVER shoe, never successfully duplicated. Patented features eliminate bodily fatigue . . . give you comfort in action. Custom styles, \$12.50 up. Red Label styles, \$10.00 up.



E. T. WRIGHT & CO., Inc.
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Made in Canada by Scott & McHale,
Ltd., Licensee, London, Ont.

Made for women, misses and children by only The Selby Shoe Company, Portsmouth, Ohio

Wright **ARCH**
PRESERVER
SHOE
FOR MEN

Genuine
Engraved Letterheads

Win RESPECT
Win RESULTS

This Mark of Genuine
Engraving guards against
disappointing imitations



Watch for it when
you select Announcements,
Cards or Stationery

ENGRAVED STATIONERY MANUFACTURERS ASSOCIATION

shopping center." He did that three times. Each time he moved away from the established center into the center to come. His trade came with him. Other trade came to him. His moves have always paid.

With the growth of the city came the chain stores. I have failed in this story if it has not been made clear that Coyle likes competition.

"They brought good ideas," he said. "We had to find some better ideas."

One quarter of the basement in the Coyle and Richardson store is given over to the grocery. It rarely has a show-window display on the street. Yet the trade is growing constantly. He does not ascribe this only to the fact that the luxury-loving American may buy delicacies there that are not always available at the chain store, but to the fact that the customer is given a different sort of service.

Handicaps of the chains

THE chain stores, Coyle said, are run on rigid business principles dictated in New York. If store managers make good they are promoted to better stores at better salaries, but whenever they move they lose the acquaintances they have made. The fact that the customers pay cash places them in the ephemeral and transient class. Here today and on the other side of town tomorrow.

"But the chain stores can beat your prices because they buy in such enormous quantities," I said.

"They cannot," said Coyle. "We can tie them. Often we beat them."

The chain stores, he said, are handicapped by the weight of ponderous brains in New York. They are good brains. But they must be paid for. In the actual buying of staples the individual store can beat the chains, he says, and the chains must stick to staples.

"Take our own case. We belong to a buying agency in New York, along with hundreds of other stores. Our collective buying power is as great as that of any chain. Here's another thing. A chain orders 80,000 gadgets made up in 1,000 packages and dispatched to 1,000 stores.

"An order from our buying agency for our list of stores would cut the number of packages by 600 without reducing the number of gadgets. Do you think that manufacturers don't figure that against the chain store?"

And there is another thing.

"A salesman came in to me yesterday," he said. "We are making up a few thousand what-nots," he said. "I will

TRAVELS TO THE PROVING GROUNDS OF CUTLER-HAMMER EXPERIENCE



Industry's Pantry

*— where common
sense has swept
out WASTE*

SOME developments which save millions of dollars for Industry are spectacular;

the romance surrounding their invention makes them news. But more often such developments are *not* spectacular. There is little romance attached to a machine which functions perfectly on ordinary jobs in thousands of plants . . . and little fame in hounding out the weaknesses to achieve that perfection, or in removing the obstacles to its wide application.

Cutler-Hammer Engineers have many spectacular Motor Control developments to their credit . . . achievements earning for them an enviable reputation for intricate special engineering. They helped to motorize the Steel Industry . . . to make the operation of gigantic equipment automatic and safe. They have designed Motor Control which operates unfailingly through the shock and "heat" of battle in the turret of a warship. And in newspaper pressrooms, they have helped make paper breaks and accidents to men and motors few and far between.

But perhaps the greatest achievement of Cutler-Hammer Engineers . . . certainly

the most valuable to Industry as a whole . . . is the Cutler-Hammer Line of standardized Motor Control born of this wide experience. In this development, common sense fortified by engineering ingenuity and experience has brought savings never before obtainable in any Motor Control.

Cutler-Hammer standardized Motor Control includes motor starters for every common need . . . each adaptable to a wide range of motor sizes by the mere change of a small coil. Each, again, is adaptable to different voltages by a similar simple change. Further, most parts for these starters are fully interchangeable—so only a small stock of repair parts is adequate reserve for any plant.

Thus Cutler-Hammer standardized

Motor Control has swept waste out of Industry's pantry . . . the stock rooms of thousands of plants . . . as it has swept operating waste out of electric motor applications. And these savings explain why Cutler-Hammer is standard equipment on leading motor-driven machines today . . . why motor builders recommend it for the motors they sell . . . why established wholesalers of electrical goods in all distribution centers stock Cutler-Hammer standardized Motor Control.

CUTLER-HAMMER, Inc.

Pioneer Manufacturers of Electric Control Apparatus
1251 St. Paul Ave. MILWAUKEE, WISCONSIN



The Final Result of This Pioneering

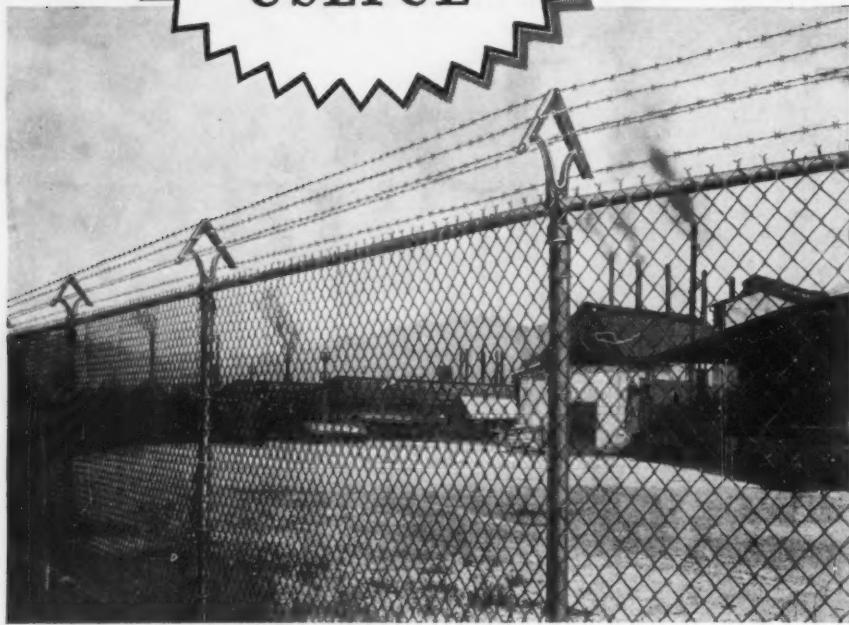
Cutler-Hammer standardized Motor Control has features which only pioneer engineering could produce—features which only experience covering all problems of electric motor applications could perfect. Thus, Cutler-Hammer "ready-to-use" equipment meets every common requirement with reserve to spare—provides for all usual motor applications the same superior performance, safety and economy for which Cutler-Hammer specially engineered Motor Control has been outstanding throughout three decades of Industry's electrification.

CUTLER HAMMER

The Control Equipment Good Electric Motors Deserve

(A-209)

**ENCLOSE
THAT EXTRA LOT
and
MAKE IT
USEFUL**



Perhaps you have an extra lot on which you are planning to build when expansion becomes necessary. In the meantime the space is idle—a liability. Idle space can be fenced and put to profitable use for storage, shipping, sorting, assembling or inspection; for employees' parking or recreation, or any of a number of equally useful purposes.

When you buy fence, specify the best; a fence that will stand the hard knocks of every-day usage. Pittsburgh Chain-Link Fence is as fine a fence as modern industrial methods can produce . . . Made of special-formula, copper-bearing basic open-hearth steel, it will give long years of usefulness. Built of sturdy, substantial, steel-wire fabric, heavily zinc-coated after weaving and erected over a strong frame-work of seamless steel pipe, it will retain its shape and provide a permanent barrier against intrusion.

Erection service is always available anywhere . . . Write to us for descriptive literature

Pittsburgh Fence

CHAIN-LINK TYPE

Pittsburgh Steel Co.

Union Trust Bldg. P Pittsburgh, Penna.

New York Chicago Memphis Dallas Detroit Syracuse San Francisco

When writing to PITTSBURGH STEEL CO. please mention NATION'S BUSINESS



give you a price on them that no chain store can touch."

"Why don't you sell to the chain stores?" I asked.

"It would not pay us to transform our machinery to make the quantities the chain stores would demand before they would buy. We prefer to make up a few thousand at a time between times, to keep our plant busy, and sell them to individual merchants."

"He was right. No chain store could touch the price at which I can sell those goods. That is happening all the time."

More important than anything else, perhaps, is that this is not and never will be a standardized land.

"It's nonsense to say that we are run in the same molds," said Coyle. "I could not sell some goods to the women of Charleston to save my immortal soul. The same goods might be in eager demand in Atlanta. We follow general patterns, of course, but our patterns vary.

"A chain store cannot vary its patterns. I know and my friend in Atlanta knows and my acquaintance in Los Angeles knows what our customers want. We make it our business to provide them with what they want. A chain sends the same stuff to Atlanta and Los Angeles and Charleston. It won't do. It may be all right for two of the towns and all wrong for the third. Multiply that percentage by the number of lines a store-keeper must carry and then ask me to fear chain-store competitions. Folly!"

A spur to thinking

COYLE thinks the chain store has done one fine thing for the individual merchant. It has made him think. The chain store brought new ideas into business and some of them are good.

His store's business is relatively off this year. The increase was not what it was last year. Does that worry Coyle? Not that I can see. He has already worked out a dozen little tricks that will make for more efficient and more profitable service. He might have thought of them, sometime, if the depression had not come. He might not.

He has a theory that in the long run he will make this depression pay him a dividend. He is never afraid to try something new.

"When I hear a merchant say:

"Fooey! My trade would never stand for THAT!"

"I say to him, 'How do you know your trade would not stand for it? Why don't you try?'"

Somewhere I heard an epigram:

"It's what's inside the head that counts."

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PERFORMANCE...
that's it ... PERFORMANCE
... in a Bearing it's the only thing that counts

JOT that fact down on the margin of your blue-print now ... file it away in one of the pigeon holes of your mind. Performance is the thing you want when you buy a bearing. Performance, in a bearing, is the only thing that counts.

SKF is a symbol of a world-wide bearing organization that has persistently refused to manufacture down to a price. **SKF** is the highest priced bearing in the world.

And yet, there flow into **SKF** Headquarters reports of **SKF** Bearings that have traveled a million miles in railway

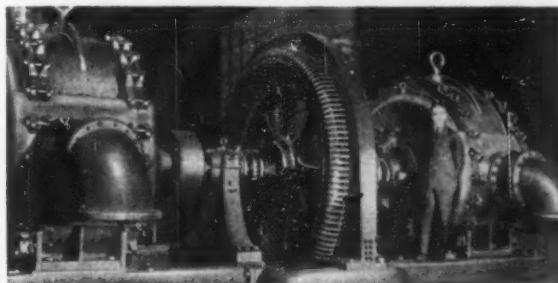
journals without showing wear ... of other **SKF** Bearings that are part of the mechanical equipment of practically every trans-oceanic flight ... of others still that serve year after year on thousands of industrial jobs.

Performance ... that's it ... Performance. It's the thing that makes the **SKF** Bearing more expensive to produce and to buy. It is the thing that makes it cheaper, far cheaper, to use. Put YOUR bearing problems up to **SKF**. **SKF** Industries, Inc., 40 East 34th Street, New York, N. Y.

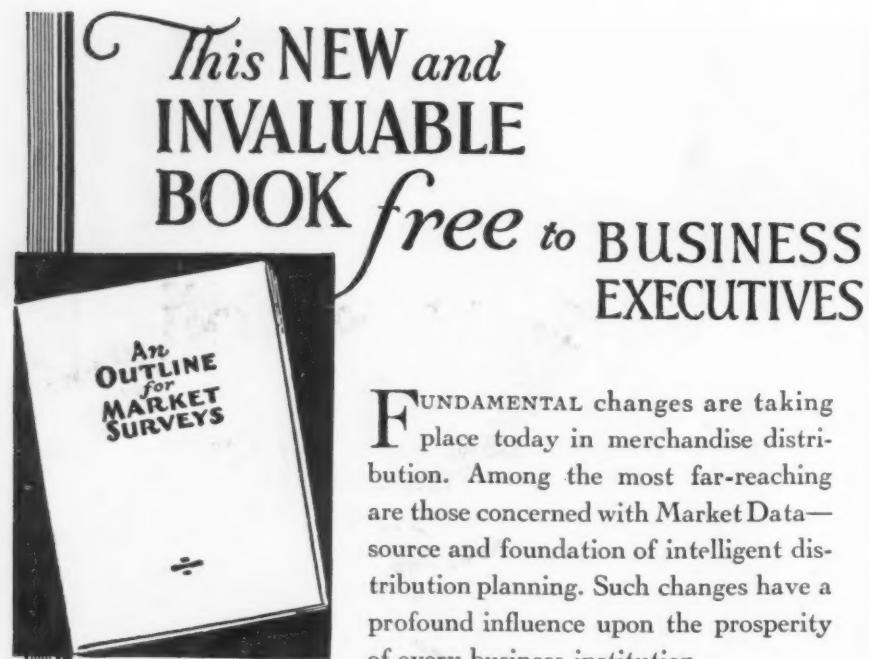
SKF

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**THE • HIGHEST • PRICED
BEARING • IN • THE • WORLD**



*Performance was the thing that inspired the choice of **SKF** Bearings for these giant pumps, made by the Nash Engineering Company of South Norwalk, Conn. Photograph illustrates the largest vacuum pump installation in the world.*



~ ~ ~ THE National Census—official decennial inventory of the country—furnishes a mine of information on the current development of the country, its population, its wealth, and its industry. These records are fraught with priceless value. For this year—when needed as never before—there is available a new encyclopedia of facts inestimably important as a guide to business trends.

~ ~ ~ For the first time in history, the United States Government provides, in the New 1930 Census, a comprehensive, detailed picture of American business. Never before has such a national picture—a factual basis for measuring markets—been presented by this or any other source. Never before have been available such vital business statistics, such definite barometers by which to guide business policy.

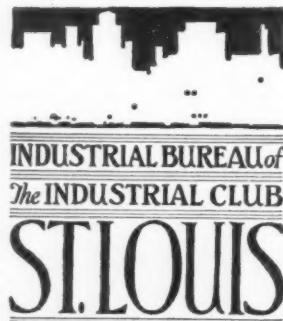
New Light on Distribution Problems

Distribution, while a new subject for the Census, is an economic problem old as society itself. Heretofore there has been but little accurate information reduceable to economic formulae approaching the exactness of engineering principles. Today, for the first time, such facts are before us. It behoves American men of affairs to understand and apply them.

~ ~ ~ The new "Outline for Market Surveys," just off the press, is the first exhaustive summary of just what the Distribution Census will show, and how, practically, to interpret it. It sets down all the useful factors from which to appraise the consuming power of any market, for any product. It shows how to use the Census—and other dependable information—to tangible advantage and profit.

~ ~ ~ George C. Smith, Director of the Industrial Bureau of St. Louis, its author, is a nationally known authority. He is one of America's leaders in studies of scientific business location and community development. From a rich background of experience, and as an associate in the production of the first distribution census—undertaken in Baltimore in 1927—he brings to bear a specialized knowledge and a sound perspective which few men possess.

~ ~ ~ This new book—clear, concise, informative—deserves the thoughtful study of every American executive. An edition of moderate size is now available for distribution, without charge, to the leaders of business in this country. You are invited to write—on your own business stationery, please—for a complimentary copy. Address Dept. C-4.



When writing to INDUSTRIAL BUREAU OF ST. LOUIS please mention Nation's Business

A New Link between South and West

OUR huge multi-motored airplanes, their propellers lazily turning in the bright sunlight, stood waiting at Candler Field, just outside Atlanta, Ga., on the morning of October 15. A shriek of motorcycle police sirens, and a party which included Postmaster General Walter F. Brown, Assistant Postmaster General W. Irving Glover, and Clarence M. Young, assistant secretary of commerce in charge of aviation, drew up, fresh from a combined trip by plane and rail from Washington.

The official party made its way through the crowd of Atlantans about the ships, baggage was hastily transferred and the planes roared on their way westward, carrying besides their passengers a thousand pounds of mail. Thus simply was the first regularly scheduled coast-to-coast air mail and passenger service over the southern route inaugurated. Meanwhile, far westward at Los Angeles another plane was taking off for Dallas, central control point on the route, while at Dallas two planes were taking off, one for Atlanta and the other for Los Angeles. Each carried mail and passengers.

A saving of 35 hours

OPERATING on fixed daily schedules, the new service, conducted by Southern Air Fast Express, Inc., subsidiary of The Aviation Corporation, will bring Los Angeles and Atlanta within 19 hours of each other in actual flying time. A specific saving of 35 hours and 11 minutes over present train time is effected by the new plane service, both for the business man flying between the two cities and for mail.

To reduce the matter to schedules, a train leaving Atlanta at 6:10 a.m. Monday arrives in Los Angeles at 10:15 a.m. Thursday, whereas a mail and passenger plane leaving Atlanta at 8:00 a.m. Monday and stopping at Dallas, Texas, overnight, arrives in Los Angeles at 7:11 p.m. Tuesday.

Surveying and lighting of the route between Fort Worth, Texas, and Los Angeles is now in progress and is expected to be completed by late spring or early summer of next year. This done, a further reduction of the airplane time between the two terminals of the line through night flying will be possible.—P. H. H.

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My Money—After I Die

(Continued from page 33)

iciency comparable to that of general industry.

It follows that if these units had to compete with efficient industries for their finances, this competition would compel better management. As matters stand now our public works are being financed under something analogous to the discarded industrial system—valuations of physical property provide the basis for credit. Many difficulties will arise if we require public works to show a visible profit. Yet many states have recognized the need of the profit motive, notably New Jersey and Pennsylvania with the Delaware River Bridge and New York and New Jersey with the Holland Tunnel. Each is paying for itself by tolls, and many other bridges are being financed in like manner.

If we could take the "dead hand" off trust funds to the extent of making some portion of them available for current economic needs it would surely reduce the political motive in public works and emphasize the economic one. That would represent an important forward step, but it would be a small matter in comparison with the positive benefit to industry. In that event I think we should find a marked decrease in the number of rich men making binding restrictions in their wills.

I am trying to avoid such restrictions, but I recognize that I may have to make them as a matter of conscience and in the discharge of an obligation, the sense of which increases with the years.

The first impulse of the average citizen may be to laugh at the plight of the poor millionaire who doesn't know what to do with his estate, or who knows but is helpless. But if he will study the problem in the light of all the rich men who find themselves in the same situation, and of the vast sums now controlled by the living, he may see that he and all his fellows have a personal interest in its solution.

A Word by Wanamaker

JOHN WANAMAKER once remarked:

"The difference between a clerk who spends all his salary and the clerk who saves part of it, is the difference in ten years between the owner of a business and a man out of a job."—J. H.

HOW STEALTHILY



GETS A FINGER IN YOUR PIE



AMERICAN AIR FILTERS

American Air Filter Co., Inc., 160 Central Ave., Louisville, Ky.
Please send literature on the uses of modern air filters.

Use in which interested _____

Name _____

Street _____

City _____

No matter what your particular "pie", dust loves to get his finger under the crust. Furtively he creeps into your building, your product, your machinery, your school, your employee efficiency, as quietly as he might slip in the kitchen window on the rays of the sun and settle unnoticed into an actual pie sitting on the table. You open your pie and there he is. For instance:

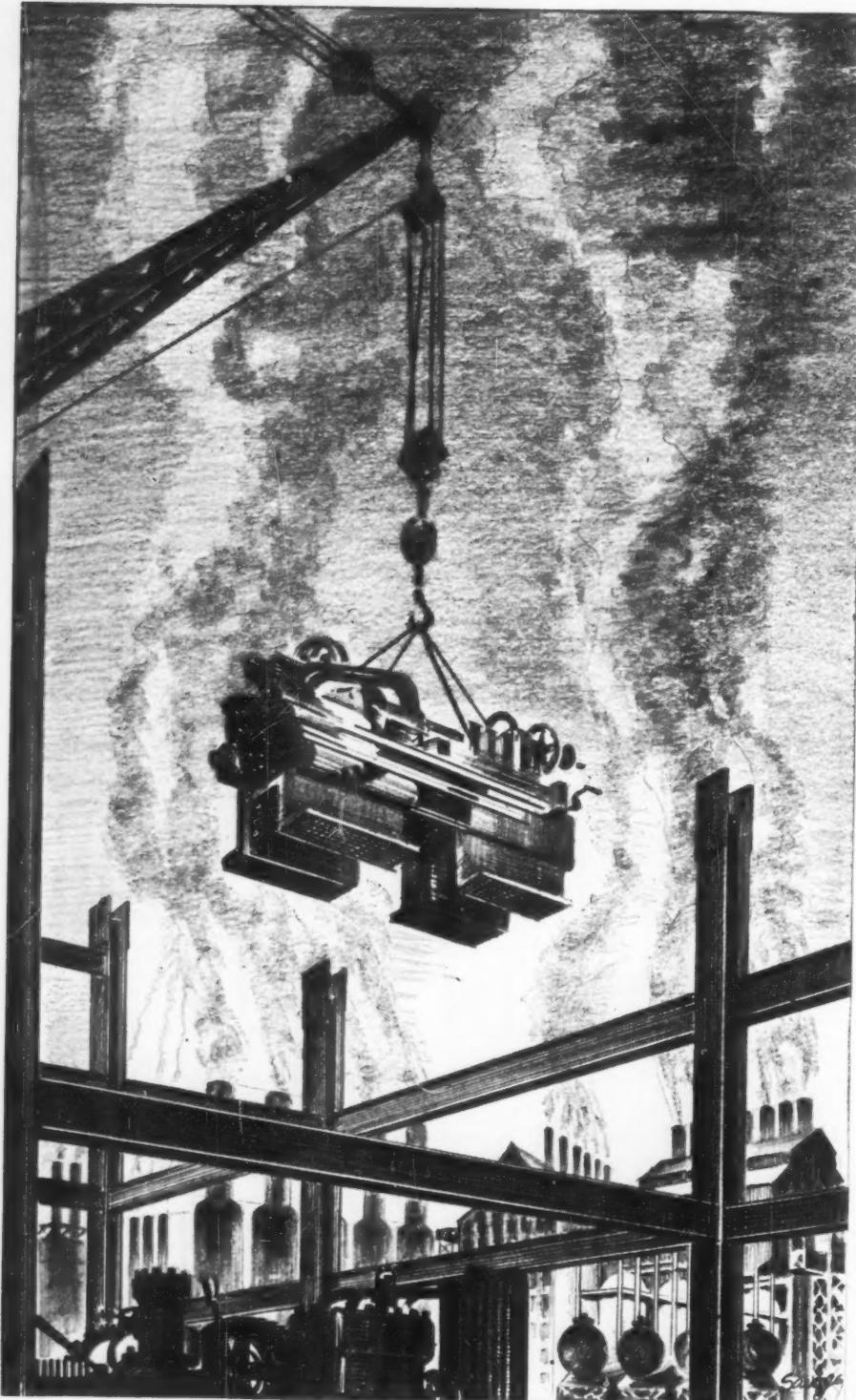
STEEL MILL Saves \$35,000. Dust deposits in the generator ducts and windings made it unsafe to operate the turbo-alternators in a large steel mill at more than 85% of their rating. After installing air filters, continuous operation under full load became possible giving additional capacity worth \$35,475 a year.

A SCHOOL Decreases Absenteeism. A school installed a new ventilating system, including air filters, and reduced absenteeism 13.8%.

MANUFACTURER Prevents Contamination. A large gelatine manufacturer says, "It is doubtful whether we could have maintained our present volume of business if we had continued to use unfiltered air. Whereas we had little control over contamination, we can now assure users of a uniformly clean gelatine."

Now, or before you know it, dust may have a finger in your pie. Air filters that pay for themselves in an average of three years or less will prevent the intrusion of dust at once and permanently. Send the coupon for details. No obligation. AMERICAN AIR FILTER COMPANY, Louisville, Ky., and Bradford, Pa.





BANKERS TO
INDUSTRY
EVERWHERE



FINANCING SALES OF MACHINERY and EQUIPMENT

THAT an increasing number of leading manufacturers and distributors have selected C.I.T. to handle their deferred payment financing is due mainly to two features of this Company's organization.

C. I. T.'s nation-wide system of local offices makes possible speedier, more efficient service in checking credits, making collections and taking care of all instalment details.

Its huge resources and the diversity of industries C. I. T. serves give assurance of stable policies which clients can depend on at all times when planning their own sales policies for the future.

▼ ▼ ▼

There are improved C.I.T. plans covering the sale of many and varied types of income-producing machinery and equipment. The C.I.T. Group of Companies also finance deferred payment sales of automobiles, aircraft, household equipment, radios and many other products. There is a C.I.T. representative in your territory who will gladly advise you, without obligation, on any phase of time payment selling.

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Executive Offices

One Park Ave., New York

Subsidiary and Affiliated Operating Companies with Head Offices in New York • Chicago • San Francisco • Toronto • London • Berlin Brussels • Paris • Copenhagen • Havana • San Juan, P. R. • Buenos Aires • São Paulo • Sydney, Australia. Offices in more than 160 cities.

CAPITAL AND SURPLUS OVER \$100,000,000

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What Wall Street Is Talking About

By MERRYLE STANLEY RUKEYSER

WITH the proximity of winter, the new approach to the business cycle has been from the humane standpoint. The second winter of unemployment is naturally harder on families without work than the first, for gradually reserves of savings have been impaired. Accordingly, nonpartisan observers can do little except applaud President Hoover's recent effort to coordinate and supplement local agencies for relief.

But, just as the Red Cross which cares for the wounded on the battlefields scarcely solves the issue of war, so it should be recognized that emergency relief measures do not furnish the key to permanent economic stabilization. The larger aim has been delayed by a disposition to forget the problem except when an emergency exists. Even the mild unemployment bills, proposed by Senator Robert F. Wagner, of New York, providing for coordinated public employment agencies, better unemployment statistics, and better planning of public works, have failed of passage in Congress.

Business recovery, which is seemingly slowly in the making, will take care of the *cyclical* unemployment, but it has no special bearing on the other problem of *technological* unemployment, resulting not from depression, but from the new efficiency and the substitution of labor-saving machinery for men.

Even so conservative an executive as the sagacious Myron C. Taylor, chairman of the finance committee of the United States Steel Corporation, in an address before the American Iron & Steel Institute, hinted that the problem might call for a new distribution of leisure. The machine, he insisted, must be fitted to man's needs.

PRESIDENT HOOVER has indicated that this question of technological unemployment is being studied in connection with

the American Federation of Labor. If the sound solution lies in the direction of a five-day week and a shorter working day, executives must have the courage to accept new ideas and to scrap obsolete conceptions. From a narrow profits standpoint, it is far more important to strike a new equilibrium between supply and demand of men and material than to hold out for any preconceived standards.

As Mr. Taylor suggested, the problem is to fit machines to man's needs. From that viewpoint, perhaps the depression is only growing pains before the larger prosperity which will spring from man's new inventive ingenuity.

Of course the solution lies not wholly in changing the working day, but also in astuteness in finding new activities to supplant the old. In the last decade, business was enormously stimulated by the growth of new industries, automotive, airplane, chemical, radio, new and better suburban housing standards.

The ingredients for the prosperity of the future are now being diligently searched by unsung applied scientists in the laboratories of great American corporations, which are spending \$200,000,000 annually in research in order to assure themselves a stake in the uncharted economic progress of the future.

RICHARD WHITNEY, the 41-year-old president of the New York Stock Exchange, when I asked what would turn the scales of business upward, replied briefly, "Courage."

Incidentally, Mr. Whitney believes that the depression was the cause, rather than the result, of the bear market in stocks. Likewise, he thinks that the stock market is waiting for signs that business has turned upward.

AN outstanding business man, Julius Rosenwald, chairman of the board of Sears, Roebuck & Company, and a psychologist, Walter B. Pitkin, of Columbia University, recently discussed the mentality of millionaires from different viewpoints.

Curiously enough, Mr. Rosenwald, who himself is reputed to be worth \$300,000,000, was harsher in his appraisal of the mind of the millionaire. Asserting that the process which turned the \$35,000 which he invested in Sears, Roebuck & Company into hundreds of millions included much luck, Mr. Rosenwald said:

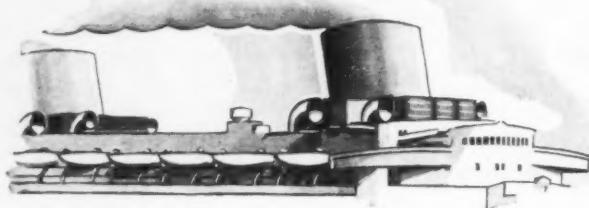
"I mean that seriously. I never could understand the popular belief that, because a man makes a lot of money, he has a lot of brains. Some very rich men who have made their own fortunes have been among the stupidest men I have ever met in my life."

"There are men in America today, walking the streets, financial failures, who have more brains and more ability than I will ever have. I had the luck to get my opportunity. Their opportunity never came. As newspaper sports writers say, 'They never got the breaks.'

"Rich men are not smart because they got rich. They didn't get rich because



Leaders in industry and education met at the recent Conference of Major Industries at Chicago. Left to right: Julius H. Barnes, Glenn Frank, Julius Rosenwald, P. E. Crowley, Robert M. Hutchins, Vincent Bendix and Samuel Insull



"Sail for Paris immediately"

The export sales counsel for a large automobile concern was suddenly called away on a five-months trip to Europe. He was newly appointed to the position. He had scant time to arrange his affairs.

His personal fortune was tied up in investments that demanded careful supervision. Must he convert his holdings into less variable, and perhaps less profitable, securities? Should he try to follow the market while he was abroad?

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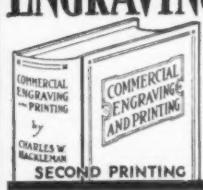
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they are smart. Remember always that many poor men are smarter than the richest men in the world. Don't ever confuse wealth with brains. They are synonymous sometimes, but none too often."

Defining achievement as "distinguished successful endeavor usually in the face of difficulties," Professor Pitkin classified America's achievers in the subjoined categories:

The AAA Group which includes Americans who have wholly satisfied all four qualifications for the highest degree of achievement:

- (a) A clear, well-conceived ambition;
- (b) Persistent struggle to surmount vast obstacles;
- (c) Thorough accomplishment of the objective set;
- (d) Great significance and human value of the success achieved.

In this group, Professor Pitkin lists only one living business man, Thomas A. Edison. His list also included Helen Keller, Orville Wright, and Edward Acheson.

The AA Group, which consists of those who have satisfied three of the four qualifications. There are several business men in this group, including Henry Ford and John D. Rockefeller, Sr.

The AA Group, which consists of those who have satisfied two of the four qualifications. There are numerous business leaders in this group, including the Fisher Brothers, the du Pont Brothers, the two Van Sweringen Brothers, Samuel Insull, Edward L. Doheny, Alfred P. Sloan, Jr., Charles M. Schwab, Walter Chrysler, Thomas W. Lamont, Dwight W. Morrow, John N. Willys, J. C. Penney, Harry F. Sinclair, Amadeo Giannini, James A. Farrell, David Sarnoff, and A. H. Wiggin.

Professor Pitkin lists Julius Rosenwald and John D. Rockefeller, Jr., in the AA Group as philanthropists, rather than business men. In agriculture, he includes Hickman Price, the scientific Texas wheat grower.

*
IN HIS recent speech before the American Bankers' Association in Cleveland, President Hoover indicated that American business will not have to wait for world trade to recover.

"We can make a very large degree of recovery independently of what may happen elsewhere," Mr. Hoover asserted, and added, "I should like to remind you that we did precisely that same thing in 1922."

On the other hand, Dr. Hjalmar Schacht, former president of the Ger-



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A. C. PEARSON, in a recent address before the Philadelphia Life Underwriters Association, took the view that business in the United States would have fully emerged from the depression stage of the cycle by early fall if it had not been for international economic complications.

"The present condition in the United States is intertwined with conditions in the remainder of the world," Mr. Pearson said.

man Reichsbank, who has been giving a series of lectures in the country, holds that depression can be successfully fought only by international coöperation.

"I think that the time has come to build up an international economic society which will take things in hand by concentrating activities, and which will be strong enough to win the following of the investing public, to give them back their feeling of safety," Dr. Schacht declared.

"Such an international economic authority should be composed of industrialists and bankers of all the countries concerned, with a view to developing world trade by joint action. The industrial nations have reached a certain prosperity; their working classes enjoy a certain high standard of living. This standard of living cannot and must not be reduced. It must be maintained however much it is threatened at present by the economic structural changes which the War and its consequences have brought.

"Our duty and our responsibility demand that we must not allow the present depression to take its course, which undoubtedly would result in a general lowering of the standard of living. We must try to restore employment wherever it is lacking. This can only be done by fostering the development of the still undeveloped countries which, heretofore, have not yet enjoyed the same level of prosperity and by bringing them slowly up to this level. Never was there a greater need for joint economic activity than there is today. This is a lesson which we must take from the present situation. What we need is not resignation, but action."

Dr. Schacht had in mind especially coöperation between industrialists and bankers in the United States, Great Britain, France, Belgium and Germany. By international exploitation of backward countries he had in mind not merely economic penetration in Africa and Asia, but also in eastern Europe. As a typical project, he suggested the building of a railroad in Roumania.

son said. "nation and in Argentina, in Brazil, Chile, by derconsumtional distu countries.

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son said. "We are now the great creditor nation and are affected by wheat prices in Argentina, by the coffee depression in Brazil, by the surplus of nitrate in Chile, by the overproduction and underconsumption in Europe and by political disturbances in a dozen different countries.

"But for these difficulties, the United States would probably be back to normal business before this time."

THE statistician of a leading corporation, in a report to the executives, predicts that the beginning of business recovery will come in the first quarter of 1931, and that after a gradual rise business may reach computed normal by the fourth quarter of 1931.

THE Bell System, after recording net losses in the first three months, in new station installations, revealed in September a gain over the previous month.

THERE is challenge to the ingenuity of the South in the statistical news that in the first half of 1930, for the first time since cotton statistics have been available, world consumption of cotton grown outside of the United States has exceeded world consumption of cotton grown in Dixie.

In the first half of the year, out of a total world consumption of 12,007,000 bales, the United States supplied 5,940,000 bales, or 49.4 per cent, compared with 6,067,000 bales, or 50.6 per cent furnished by outside, competing cotton growing countries.

Bernhard Ostrolesk, cotton economist, in directing attention to the significance of this trend, recently pointed out:

"There is competition from other textiles, notably silk and rayon; there is the inferior quality of United States growths against many foreign growths; and there is developing the economic advantage of other producing areas, these advantages being reflected by the closer proximity to markets, as in the case of Indian cotton with respect to the Japanese market, or preferences given, because of closer trade and political relations, as in the case of Egyptian cotton and England.

"It is sufficient to point out here that at a time when the United States carry-over is more than 6,000,000 bales, with the 1930 crop close to 14,500,000 bales, making a total available supply of 20,500,000 bales, with one exception the largest supply in the history of cotton production, the United States producers



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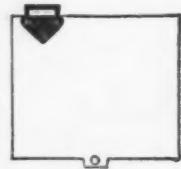


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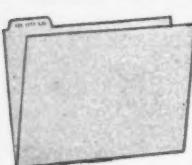
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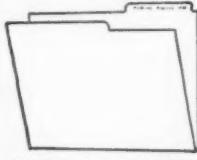
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are also facing a world market demanding less cotton, increasing competition from other growths, a lower price level and production costs above selling price."

Like manufacturers, agrarians must adhere to the modern mandate to attune production to consumption. The position of the South would be helped if the average farmer could learn something of the methods of the most efficient, low-cost producer. The change in trend may call for further agricultural diversification in the South and heighten the industrialization there.

Incidentally, several outstanding practical financiers who have made a study of cotton express the view that cotton, at the October lows, was distinctly cheap. Alexander Legge, chairman of the Federal Farm Board, told me at the time that he thought the principal agricultural staples, including cotton, wheat and wool, had touched bottom.

A PRACTICAL philosopher in Wall Street, who in recent years took a substantial fortune out of the stock market, said this of the popular fallacy of paying a high-price earnings ratio for common stock in boom years and a lower ratio in interludes of depression.

"Logic justifies precisely the reverse procedure. In abnormally good times it would be prudent policy for investors to discount prevailing earnings, assuming that they were running above the average. On the other hand, in periods of subnormal business activity, analytical investors ought to allow for the fact

that companies would not then show their full average earning power."

Stating the same proposition in a slightly different manner, Sir Josiah Stamp, creative British economist and business executive, said that he thought that American investors were making a mistake in paying too much attention to immediate earnings of corporations, whereas the true investment position of a common stock depended on average earning power over a representative period of years through the business cycle.

TOWARD midautumn, the investor was allowing a premium, over liquidation, for the aggregate of 30 leading industrial stocks which comprise the Dow, Jones industrial averages. At the low point of the October reaction, common shares of the group were selling at an average of 44.8 per cent above the liquidation worth of the net tangible assets.

In other words, investors were making the very reasonable assumption that these leading corporations would remain in business and they therefore had some good-will or going-concern value.

Moreover, investors allowed for the fact that a number of leading corporations make a policy of understating assets. In spite of the trend for the average of the 30 companies, it should be pointed out that eight of these leaders, including U. S. Steel, Texas Corporation, American Smelting and Refining, National Cash Register, Chrysler Corporation, Hudson Motor, Mack Truck, and



PHOTO BY EDITH CARRINGTON

Modernistic motifs mark the new quarters of the Cleveland Stock Exchange atop the Union Trust Building in that city

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Amos 'n' Andy sell it... but BUSH distributes it throughout Greater New York

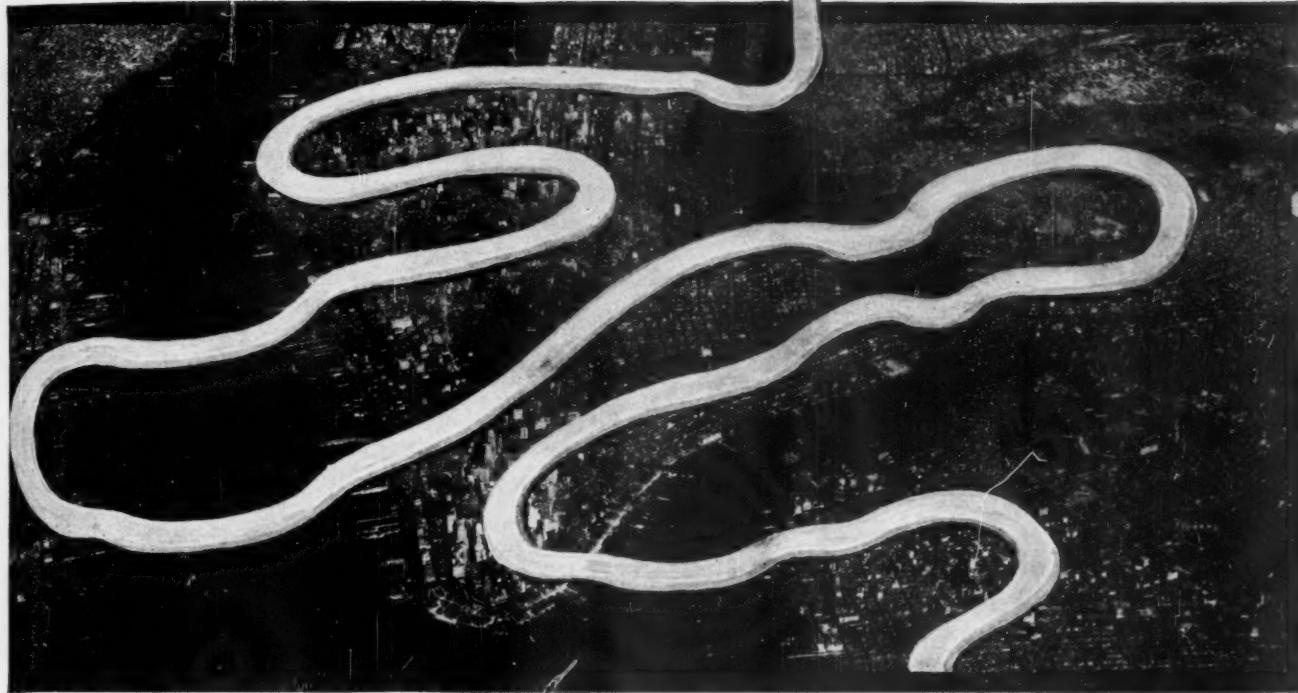


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DISTRIBUTION of merchandise is a vital part of the selling job. The Pepsodent Company knows it. Bush Terminal Company knows it. The result is that Bush Terminal distributes Pepsodent throughout the New York metropolitan market, leaving the Pepsodent Company free to concentrate on making it and selling it.

No sale is completed until the goods are delivered. It works this way: In the spacious warehouses of Bush Terminal is a large stock of Pepsodent. An order from a druggist appears. The quantity may be a gross or it may be a third of a dozen. All the same to Bush Terminal. The smoothly geared wheels of Bush Distribution Service turn and within a few hours the order is filled—with no trouble to anyone in the Pepsodent organization.

This service is strictly à la carte. Pepsodent pays only for the services required by Pepsodent. This has made it possible for major economies to be effected. It permits quicker deliveries—which is only another way of saying sales acceleration.

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Before one manufacturer learned about Bush for distribution his annual costs were \$22,565. Yearly cost at Bush only \$14,595. Saving \$7,970, that is 35%. Light and power cut from \$5,000 to \$3,900. Insurance premium from \$1,365 to \$150. Trucking costs \$6,000 and elevator expense \$1,200 entirely eliminated. And on a single floor at Bush he won't need an extra shipping man to whom he has been paying \$2,000 a year.

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Bethlehem Steel, sold at the Stock Exchange for less than their stated net asset value.

Among inferior companies it is not unusual, in the cycle of bear markets, for such companies to sell at discounts below their asset value, and in some instances, the companies had net quick assets which approximately equalled their market price.

IT IS interesting to compare the results of the recent national and state elections, in respect to political upsets, with the record in past years of business depression.

An examination of the results of 25 previous presidential or congressional elections in the United States since 1880 reveals that, as one might have expected, political upsets proved far more common in years of poor business than in years of prosperity.

There were nine political upsets, resulting in turning over the presidency and one or both of the Houses of Congress to the opposition party during the last 50 years, in the 14 election years when business was either depressed or declining.

In 11 election years, when business was either prosperous or in the process of recovering, on the other hand, there were only four political upsets.

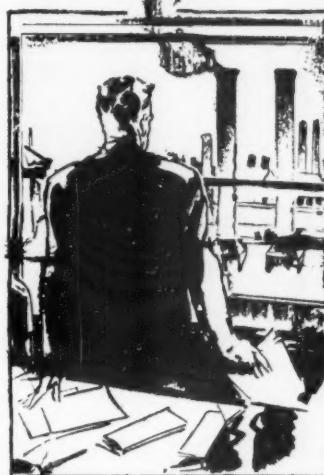
THE panic and the subsequent period of liquidation have doubtless delayed for a long period reconsideration of the proposal to broaden the laws affecting investments for life-insurance companies. Before the panic this movement was gaining some headway and the permission granted by New York State to life-insurance companies to buy preferred stocks showed how the wind was blowing.

Some went so far as to hope that, in time, the New York State law, which is the model for a great many other commonwealths, would permit investment of life-insurance funds in common stocks, as the Canadian law does.

With the vast depreciation in equity stocks since October 1929, executives of the leading American life-insurance companies seem to take a conservative position in favor of continuance of the law as it now stands. Frederick H. Ecker, president of the Metropolitan Life Insurance Company, the largest insurance company in the world, in a lecture prepared for the Alexander Hamilton Institute, said:

"Remembering the character of the trusteeship, life-insurance companies

WHERE DO WE GO FROM HERE?



OPEN season for loose talk and loose thinking on what is oracularly called The Business Situation is right now in full swing.

The homely fact is, business is neither as bad as the croakers say, nor as good as the hopers would like to believe.

Every hard-bitten realist who to-day sits closeted with his worries in the Front Office knows that sales are tough to get, but *can* be had.

Also he knows that general prosperity, like a major football victory, is not to be won solely by the vocal pep of the cheering section.

NO sane man expects boom business in America to return in parade formation all on a given date, like an infantry outfit reporting for duty.

There never has been a time in this or any other country when all businesses were prospering, or all businesses were not.

Right now, there are bright particular stars shining profitably in the commercial twilight—in every line of merchandise that you could name.

Melon-cutting will be generally in order when enough other firms emulate their stalwart example, and compel the record sales they now desire.

IF you want to hasten that day in your case, now is a fine time to supplant the idle question "How's business?" with "*Where's* business?"

Better than that, take a good, unselfish, morning-after look at your product, your sales plans, yourself.

Is the commodity you make and hope to sell,

styled, finished, priced to present needs — if your market knew the facts about it would it sell itself?

Is your selling-energy out full-limit, are your sales and advertising plans extraordinarily gauged to extraordinary resistances — or are you cutting the power just as you are trying to make the hill?

About yourself, and this is more important than you might think: along with experience, imagination, judgment—have you a plenitude of plain old-fashioned Nerve?

If your business yields the right answer to these three simple and elemental questions, *bet on America* and don't worry about where you are going from here!

THE SATURDAY EVENING POST presumes to venture a word on this subject because it harbors not the slightest doubt about its own direction.

It is marching steadily ahead now as it has for thirty years, to the tune of an additional hundred thousand readers every year, exactly on the course it charted for itself a long, long time ago.

It is continuing to seek out and sift out, by force of its character, interest and authority, the hand-picked core and center of the wealthiest public on earth—that hub *three-million-strong* which turns the taste, thinking, buying of the other millions in this land.

It is moving straight ahead more serviceably than ever before into the greatest business era the world has ever seen, and if you are not insensible to opportunity you are cordially invited to come along!

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have made only those investments which have been adequately secured and at all times protected by the subordinate interests, in the nature of secondary liens or of proprietary ownerships, sufficient to provide a cushion against loss. The wisdom of such an investment policy was never better demonstrated than during the stock-market upset of 1929, when, although many forms of investment covered the loss of billions of dollars in market value, no investment in a life-insurance policy was impaired in the slightest, and when, in fact, thousands of individuals found their life-insurance policies to be their only unaffected asset.

"However, even though life-insurance companies do not share in the direct organization or promotion of industry, they make an important indirect contribution to this very necessary undertaking, since by their financing of the nonspeculative needs of the nation, other capital is released for constructive use in new enterprises and ventures."

THE subject of short selling has been brought to the fore again. The Stock Exchange has let it be known that, though it approves legitimate short selling, it opposes bear raiding.

In attempting to draw the line of distinction, the Stock Exchange emphasized that legitimate short selling was an attempt to profit from anticipating a decline, whereas bear raiding constituted an effort to force the decline through demoralization caused by the selling tactics. It is commonly assumed that Richard Whitney, president of the New York Stock Exchange, discussed the subject during his recent visit to the White House.

J. Edward Meeker, economist of the New York Stock Exchange, in a revised edition of his useful book called "The Work of the Stock Exchange," says:

"Even the much regretted short sale is at least as old as Esau, who sold his inheritance (which of course he didn't own) to his brother for a mess of pottage."

THE world-wide decline in commodity prices has had the effect of enormously increasing the burden of debt payment on the part of debtors. The change in the commodity situation makes the real burden of paying the allied debt to the United States more difficult and by the same token it adds to the real burden which Germany has incurred under the Young Plan.

Numerous economists ascribe the de-

cline in commodity prices to an impending shortage of gold. Sir Josiah Stamp, British economist and business leader, who leans toward this view, has expressed the hope that the new Bank of International Settlements, created under the Young Plan, will be an international instrument for mitigating the adverse effects of an alleged impending gold shortage.

Thinking in this vein, E. M. H. Lloyd, British economist connected with the Empire Marketing Board in London, pointed out:

"Looking to the future, the best hope lies in the slow growth of a disposition on the part of central banks to seek a solution of the gold problem by concerted international cooperation. The old idea that the working of the gold standard was something automatic, providential and beyond human control, has been largely abandoned; and it is beginning to sink into the world's consciousness that an international monetary system cannot be satisfactorily regulated by the uncoordinated and competitive manoeuvres of a score or more of separate national authorities.

"The Bank of International Settlements was originally designed to fulfill some of the functions of an international central bank. As finally drawn, its statutes give it no powers of so ambitious a kind, but at least its creation has provided a common meeting ground for the representatives of central banks (though not of the Federal Reserve Board). Wisely administered, it may add an important contribution to the problem of economizing the use of gold."

WHAT about common stocks now, more than a year after the panic and during which time the public has revised its notions about the suitability of common stocks for long-term investment?

J. Augustus Bernard, investment banker, in a report to the Investment Bankers' Association of America on Industrial Securities, said:

"It is futile to take the position at a time of depression, such as the present, that common stocks have permanently lost their popularity. In this great country of industrial enterprises, it is the ownership, or a share in it, of those institutions which the public has eagerly sought in recent years and will continue to acquire again in the future, if not in the immediate present.

"Management—that one word—expresses what is really the foundation of a common stock."

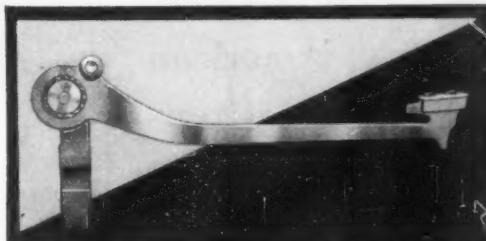
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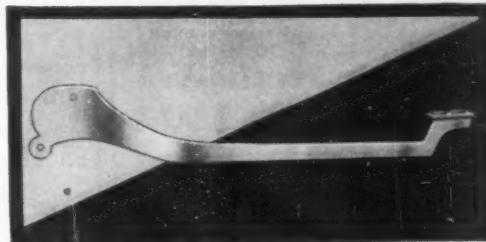
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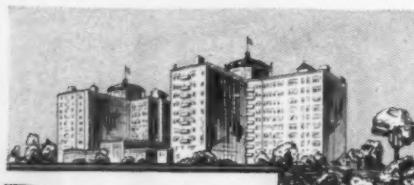
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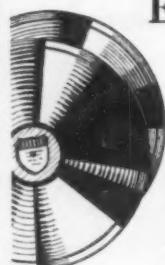
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Canada's Wheat Pool Faces a Crisis

(Continued from page 48)
holder, there would be no such depressing influence.

As matters stand, therefore, with the going out of the 1929 crop year and the coming in of the 1930 crop, the two price-depressing influences of great weight are the Wheat Pool and the Farm Board.

The original aim of the Pool, to repeat, was to control the price of wheat. For example, a high official of the Pool told the International Wheat Pool Conference at St. Paul in 1926:

If that wheat (of Canada, United States, Australia, and Argentina) was sold with the intelligence that is possible for the farmers of these three or four countries, there is no question in my mind that we would have no trouble at all about the price of our wheat; no question in my mind but what we could fix the world's price of wheat. I mean raise it. . . . If we had been selling that wheat systematically, intelligently, through men who had made a life study of selling wheat on the world's markets, we could have gotten twice the money for our wheat. . . .

. . . These three great English speaking countries, United States, Canada, and Australia, can raise the price of wheat at least 50 per cent above the level of the price that has been maintained through the old system without the assistance of any other country in the world.

Here the Pool is playing with a beautiful but dangerous thought. When private grain firms or combinations of firms begin to behave in this manner, they are charged with "cornering the market," with having a monopoly, with acting in restraint of trade. The Pool, however, was never able to match its words with its deeds. But the repercuSSION of these words, as they echoed through Europe, was costly to the Pool.

The Pool's greatest weakness

THE Pool aimed to control the price of wheat. This was and is its chief economic weakness. A pool to control prices, that is, to exercise monopoly power, is an economic monstrosity, because it cannot control production. A pool to sell wheat is a different story. Under seasoned leadership, such a pool might easily be a big asset to the farmers.

We will now look at the Pool in actual operation, and note its price record.

The Canadian Pool has handled the six crops, 1924 to 1929 inclusive. A care-

ful checking of wheat prices on the Winnipeg market will show that in three of the six years the Pool lost by withholding, and in the other three years it gained.

But its losses greatly exceeded its gains. This came about because of the world-wide slump in wheat prices on the 1929 crop. The Pool's loss by withholding wheat this year was almost twice the amount it had gained by withholding in its three successful years. Since the 1929-30 crop year has brought on the present crisis of the Pool, a word must be said about this year's experiences.

Where statistics fell short

THE 1929 crop in Canada was short; it was also short in the United States and in the Argentine. The Pool statistician presented these statistics to the officers of the Pool. These statistics referred only to the supply of wheat, not to wheat consumption. The theory of value is that value depends upon supply and demand, not on supply alone.

The officers of the Pool believed that wheat prices would move upward after the 1929 harvest, because Europe would have to buy this wheat or go hungry. The old crop year (1928-29) went out and the new crop year (1929-30) came in with wheat around \$1.75 a bushel. But as the 1929 crop moved to market, the price slowly worked downward. By the summer of 1930 it had fallen considerably below one dollar a bushel.

Europe, with its poverty and its unemployment, remembered the words of the Pool official who in 1926 had spoken glowingly of "raising the price of wheat at least 50 per cent." Great consumers turned to other sources of supply. To lessen the demand for North American wheats still further, the Federal Farm Board in October, 1929, had announced that wheat was too cheap, that it would increase in value and that the Federal Government would provide money "without limit" to buy wheat and withhold it from the market to force an increase. At this juncture the printed notice, "No American wheats used here," began to appear in some bakery windows in England. Other European countries sharply raised their tariffs against North American wheats. These former customers in Britain and Europe also turned to substitutes for wheat,

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As the crop year advanced, the increase in exports expected by both the Pool and the Farm Board did not appear. On the contrary, the volume of wheat exports fell off. The price worked downward. The Pool and the Farm Board, by their withholding policy, their announced purpose of holding for higher prices and their policy of selling direct in foreign markets ignored buyer psychology, and contributed materially to lowering the price.

In the early summer of 1930 the crisis for the Pool was entering an acute stage. The Pool had, in the autumn of 1929, made a so-called initial payment of one dollar a bushel on wheat, the banks lending 85 cents of the dollar. To save the banks from loss and to head off a complete financial collapse, the governments of the three prairie provinces stepped in and underwrote the Pool's wheat loans.

This was a heroic measure, but the Pool's speculation and loss in wheat was so gigantic that it touched the business life of the whole Dominion. Country merchants, lawyers and doctors, the transcontinental railroads all felt the stringency which came from damming up the outflowing streams of wheat and the inflowing streams of gold or its equivalent. This was the situation during this summer, at the end of the most colossal speculation in wheat in history.

To complicate matters still further, the carryover of Canadian wheat at the end of the 1929 crop year was the largest in the history of Canada, 110 million bushels. At the same time, the Farm Board was holding over the market 69 million bushels of wheat, to be sold at that uncertain moment when the price was "right." Confidence strengthens a market, but uncertainty is a depressing influence.

Multiplying difficulties

AS these lines are being written the big carryover of wheat, the low price, the new crop high both in quantity and quality are all factors which add to the troubles of the Pool. The "initial" payment announced for the 1930 crop is 55 cents a bushel at Fort William—or 40 cents in the 25-cent freight zone in Saskatchewan. In normal years about ten per cent of the Pool membership bootlegs its wheat. If this number should increase to 40 or 50 per cent, the life of the Pool would be jeopardized. The Pool has already served injunctions on hundreds of farmers to compel deliveries.

The Pool is now on trial for its life.

The gloomy picture I have painted refers only to the Pool, not to the farmers' local cooperative grain elevators scattered all over Canada and the United States. These institutions, small as individuals, do, in fact, now conduct successfully a business which in the aggregate is the largest cooperative marketing business in the world. But these local and small institutions merely try to sell wheat, not to control its price.

There are some 5,000 of these local farmers' elevators in the United States, and some of them date back 30 or 40 years. Their business totals about 750 million dollars a year, or about three times as much as the Canadian Pool. They have consistently shied away from the big central pool idea. The United Grain Growers of Canada is a farmers' cooperative selling agency which dates back to 1906. It has a business of about 50 million dollars a year. Its policy is wheat selling, and not price control.

What fate awaits the Pool?

THE Pool may pass into oblivion as most similar large-scale marketing movements among farmers have done. Or it may reorganize into three separate units, one for each province; or it may break up into a larger number of units. Its present bigness and highly centralized nature do not give it price control, but only increase its inefficiency.

After all, however, 90 per cent of the farmers' marketing problem is solved on the farm. It is the production of the quantity and quality wanted by the consumer. Canada exports 75 per cent of her wheat; these foreign buyers want only ten grades. Canada is now producing more than 1,500 grades of wheat, and in this wheat there is one weed seed for every three grains of wheat.

If the Pool had tackled this production problem rather than the price-control problem, Canadian farmers today would be many millions of dollars ahead. Of course, it is not too late for the Pool to turn its attention to this production problem.

The Pool may come through this crisis with the dearly-bought lesson that price control is not the aim of cooperative marketing. In that case, the cause of cooperative marketing will be the gainer. With the cooperative ownership of expensive facilities, operated in sound commercial practices, the Pool would be an asset to the farmers. The Canadian farmers in the United Grain Growers have already proved that sound commercial practices, and this kind only, hold the secret of successful cooperation.

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"an import," as though the remark settled any doubt as to its superiority.

The complaint is not confined to the matter of retail selling, but also applies to the buying or placing of orders. Domestic manufacturers are obliged to wait on the return of buyers from Europe, and in some instances, until the merchandise purchased abroad has been received here and put on sale.

If foreign merchandise were superior in any way to our domestic products there would be some excuse for the evil, but in most cases American workmanship is vastly superior and particularly in the wearing quality.

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STATEMENT of the Ownership, Management, Circulation, etc., required by the Act of Congress of August 24, 1912, of Nation's Business, published monthly at Greenwich, Conn., and Washington, D. C., for October 1, 1930.

City of Washington, County of District of Columbia, ss. Before me, a Notary Public in and for the State and county aforesaid, personally appeared Merle Thorpe, who, having been duly sworn according to law, deposes and says that he is the Editor of the Nation's Business and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, to wit:

1. That the names and addresses of the publisher, editor, managing editor and business managers are: Publisher, Chamber of Commerce of the U. S., Washington, D. C.; Editor, Merle Thorpe, Washington, D. C.; Managing Editor, J. W. Bishop, Washington, D. C.; Business Manager, J. B. Wyckoff, Washington, D. C.

2. That the owner is: Chamber of Commerce of the United States of America, said body being an incorporated organization under the laws of the District of Columbia, its activities being governed by a Board of Directors.

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3. That the known bondholders, mortgagees, and other security holders owning or holding one per cent or more of total amount of bonds, mortgages, or other securities are: None.

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MERLE THORPE,
(Signature of Editor.)

Sworn to and subscribed before me this third day of October, 1930.

WALTER J. HARTLEY.

(My commission expires Sept. 10, 1932.)
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THIS is one of a series
of editorials written by
leading advertising men
on the general subject
of advertising

The Executive's Rôle in Modern Advertising

THE Great Man employed a landscape gardener to improve his costly country estate. The gardener told the Great Man what to buy for that garden, and he bought it. The gardener stipulated how to arrange the garden and what to plant, and the Great Man waved his hand in approval. And the seeds and shrubs took root, and the costly country estate blossomed as the rose.

The Great Man employed advertising counsel to improve his costly business. The advertising agent told the Great Man what to buy—the publications to use—but the Great Man said he never heard of them and insisted on others. The advertising agent recommended what to plant—the sales ideas and the specific advertising copy to reach prospects. But the Great Man knew better, he had ideas of his own, he didn't like this art technique, he didn't like that copy style—and so changes were made which seemed incidental but actually were fatal. And the business garden failed to blossom as the rose.

Today practically every business executive comes in contact with his firm's advertising. He leaves production details to the factory manager, credits to the credit manager, sales to the sales manager—but when it comes to advertising, the example above is all too typical.

If an advertising man were to quote this parallel to a client, he would be told, "Of course, but then I don't know anything about gardening."

Advertising as it is done today is a job for a specialist only.

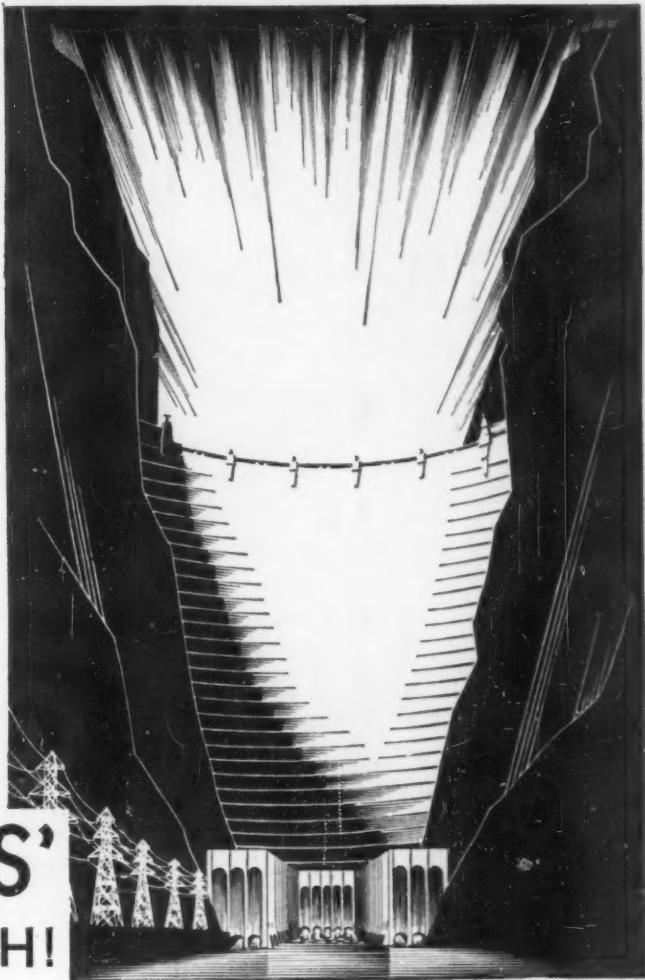
KENNETH W. AKERS
Manager, Copy Department
The Powers-House Company

NATION'S BUSINESS for December, 1930

1

STARTED!

BOULDER CANYON PROJECT and a New Era in LOS ANGELES' INDUSTRIAL GROWTH!



WITH THE DRIVING of a silver spike into a railroad tie on September 17, 1930... the continued development of the Los Angeles industrial area is guaranteed for generations to come.

Between the massive shoulders of Boulder Canyon, billions of added wealth will pour into the Southwest... millions of new population... unlimited low cost water and power. This new source of water and power will create tremendously rich new markets, besides stabilizing the phenomenal population growth disclosed by the 1930 census. And Los Angeles is assured its posi-

tion as a world leader in profitable and low cost industrial production.

Planning your Pacific Coast plant requires consideration of the Boulder Canyon project... the two are inseparably welded. Foresight today promises rich rewards when this gigantic development is completed, the manufacturing importance of today's Los Angeles will be trebled in the immediate future.

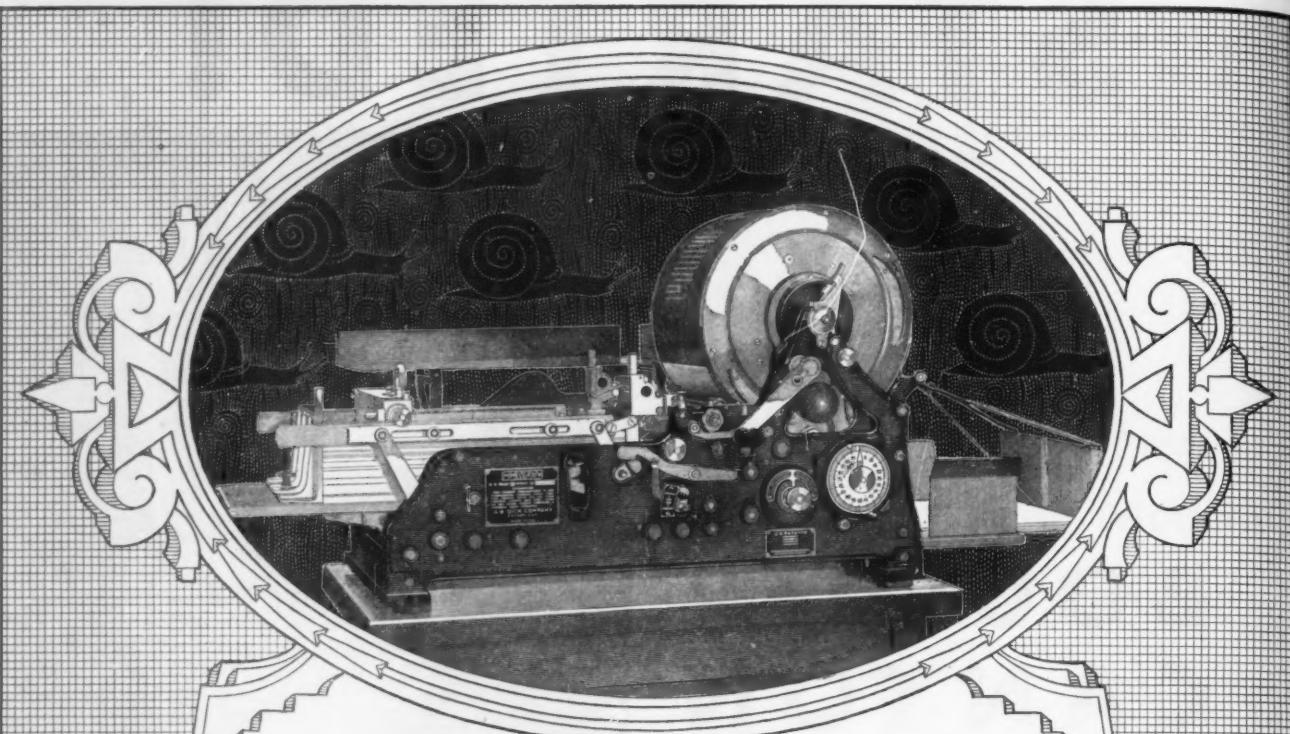
Bureau of Power and Light engineers are organized to render exceptional consultation service. Upon request, a very complete survey of your water and power requirements will be made in a comprehensive, confidential report.

*Secretary of the Interior,
RAY LYMAN WILBUR,
said regarding the future
benefits of the Boulder Can-
yon project:*

"It is as if our country had suddenly had a new state added to it, for the new and wider use of this controlled water will care for millions of people and create thousands of millions of wealth."

BUREAU OF POWER AND LIGHT
City of Los Angeles





EXTREMES IN SPEED

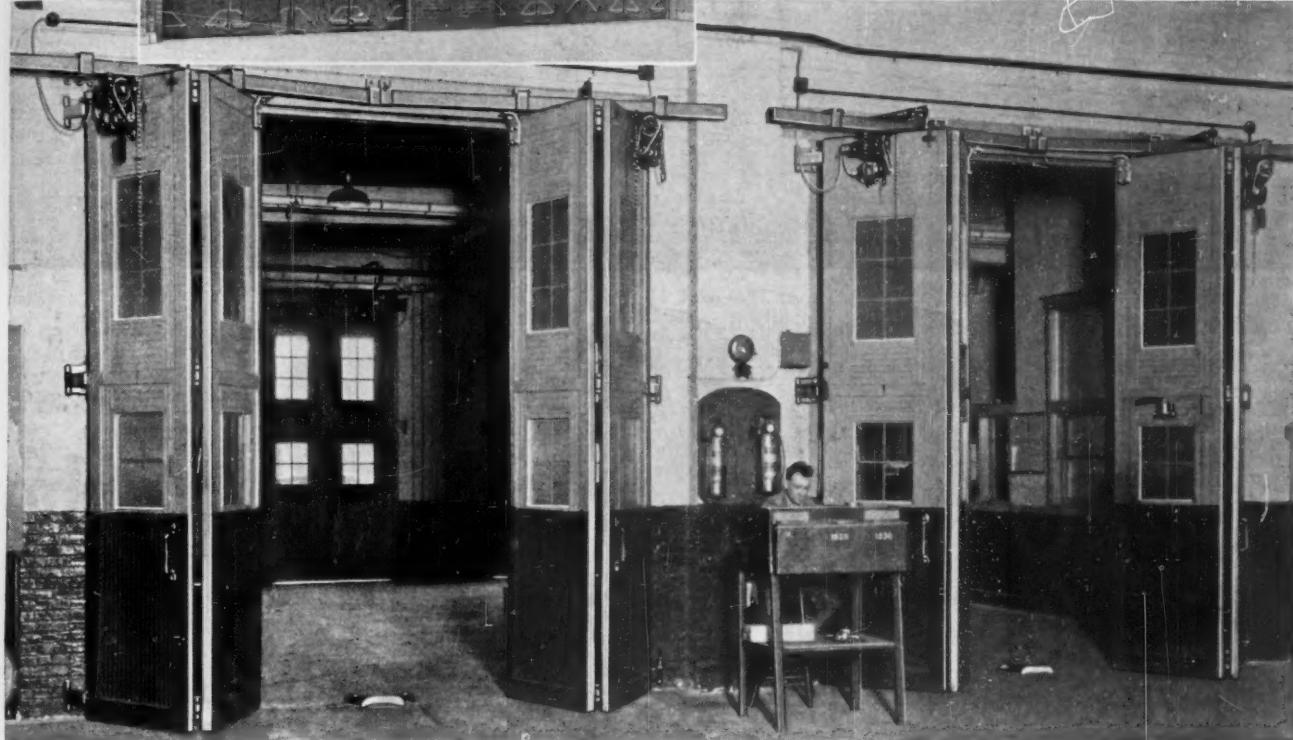
The proverbial snail may be the world's most indolent traveler, but this new model Mimeograph does its job with *utmost* dispatch. As now perfected, it is one of the world's speediest doers of important work. It has cut corners, costs and troubles for all industry and education in the most remarkable ways. As a supreme economizer it becomes an ever increasingly vital factor in the keen competition for success. Whatever is written, typewritten or drawn in line it duplicates in faithful thousands of copies per hour. Its grist of form letters, bulletins, graphs, office and factory forms, etc., are better printed than ever before—and at lowest operating cost. With its more simplified controls it requires a minimum of attention and expertness. And this newest, single-unit model is the most automatic of all Mimeographs. Get particulars from our nearest local branch (see classified telephone directory) or from A. B. Dick Company, Chicago, Illinois.

MIMEOGRAPH





One of the 70 R-W door-ways installed by International Harvester Company.



R-W doors and hardware are standard equipment

Many of the largest concerns whose building equipment is specified only after the most careful selection and elimination, standardize on R-W doors and hardware. More than seventy such R-W electrically operated door-ways have been installed by the International Harvester Company, one of them illustrated above.

R-W equipment includes both manually and electrically operated doors and hardware for openings of every size and for every conceivable condition.

Smooth, trouble-free and unfailing

operation is insured by R-W Slidetite hardware. It slides and folds the doors inside, out of the way.

Fully automatic door operation is provided by the Aut-O-Dor Electric Operator. Push a button or pull a cord, several of them located within the building. Special safety feature causes doors to stop stock still if they come in contact with a vehicle while moving. Doors can be reversed at any point when opening or closing.

Consult an R-W engineer about your door-way problems. Write today for Illustrated Catalog.



"Quality leaves its imprint."

Richards-Wilcox Mfg. Co.

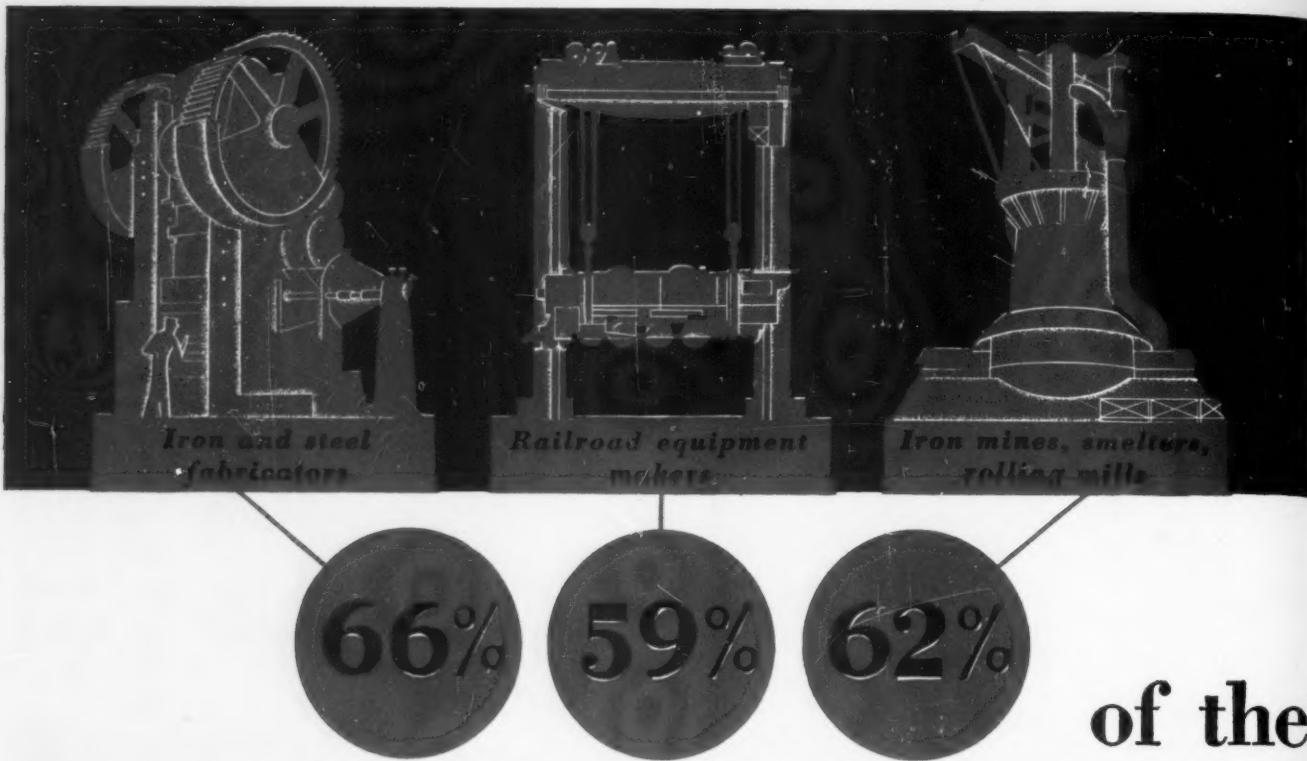
"A HANGER FOR ANY DOOR THAT SLIDES"

AURORA, ILLINOIS, U.S.A.

Branches: New York Chicago Boston Philadelphia Cleveland Cincinnati
Indianapolis St. Louis New Orleans Des Moines Minneapolis Kansas City
Los Angeles San Francisco Omaha Seattle Detroit Atlanta Pittsburgh
Milwaukee Richards-Wilcox Canadian Co., Ltd., London, Ont., Montreal, Winnipeg



The three great branches of iron and steel, greatest and most basic of all American industries, together use 20% of the lubricants consumed in all the nation's industrial plants.



of the foremost companies* in these three branches of America's greatest industry use Gargoyle lubricants for their more important machinery

In these three branches of the great iron and steel industry, lubrication must meet exacting conditions of high temperatures, heavy bearing pressures, huge volume and great speed of uninterrupted production — and stringent cost requirements.

Executives in any industry will appreciate the significant fact that in the face of such demands as these, Gargoyle lubricants and Vacuum engineering service have earned leadership in meeting the exacting needs of iron and steel producers and fabricators.

* Companies of \$ million dollars assets and over

If you are an executive who is cutting every possible cost to meet today's marketing needs, you will be deeply interested in learning what economies Correct Lubrication has achieved for other plants — and can probably do for you. Whatever your field of manufacture, our 64 years' world-wide experience in industrial lubrication has covered many plants in your line.

Your invitation to submit specific information incurs no obligation. Vacuum Oil Company. Headquarters: 61 Broadway, New York. Branches and distributing warehouses throughout the world.



Lubricating Oils

The world's quality oils
for plant lubrication

QUALITY BRINGS
LEADERSHIP



A WARNING to men who would like to be independent in the next five years

YOU CAN tell a \$30 a week man how to make \$40 a week.

You can tell a \$50 a week man how to make \$75 a week.

But you can't tell a \$5,000 man how to make \$10,000. He's got to know.

Between \$5,000 and \$10,000 a year is where most men of talent stop.

Health, youth, good appearance, brains will carry a man far in business.

But you cannot draw forever on that bank account unless you put something else in. Somewhere between \$5,000 and \$10,000 a year you will stop dead.

Those who go on add something to their equipment at the same time they are drawing on it.

Profound changes are taking place in business—this year, this month, now. The man who sees in these changes his opportunity for independence and power is the man who will make his fortune in the next five years.

BUT this opportunity, like all great opportunities, is fraught with danger. Business today is new and complex. The old rules will no longer work.

A whole new set of problems is presented by production.

Foreign markets have become a vital issue. An entirely new conception of selling is replacing the old hit-or-miss way.

The man who would take advantage of opportunity today dare not grope. His experience is a dangerous

guide. He has no time to figure out all the possibilities and pitfalls. He lacks contact with the big, constructive minds of business.

How can he seize the *opportunity* and escape the *dangers*?

FOR two years the Alexander Hamilton Institute has been laying the foundation of a new Course and Service for the leaders of tomorrow.

The ablest business minds—the men

**Men who are
satisfied with
\$5,000
a year
*will not be interested
in this Announcement***

who have had most to do in shaping present-day tendencies—have contributed greatly. Read the names of just a few of them:

ALFRED P. SLOAN, JR., President, General Motors Corporation.

F. EDSON WHITE, President, Armour and Company.

HON. WILL H. HAYS, President, Motion Picture Producers and Distributors of America, Inc.; formerly U. S. Postmaster General.

BRUCE BARTON, Chairman of the Board, Batten, Barton, Durstine & Osborn, Inc., Advertising Agents.

JOHN T. MADDEN, Dean, School of Commerce, Accounts and Finance, New York University.

DR. JULIUS KLEIN, The Assistant Secretary, U. S. Department of Commerce.

GEORGE BALDWIN, Vice President, General Electric Company.

HUBERT T. PARSON, President, F. W. Woolworth Company.

DAVID SARNOFF, President, Radio Corporation of America.

COLBY M. CHESTER, JR., President, General Foods Corporation.

Men who are satisfied with departmental jobs and small earnings will not be interested in this type of training. It is offered to the kind of men who want to become officers of their companies or go into business for themselves.

Representing the condensed experience of the best business brains in the country, it offers real help to executives in meeting the difficult business conditions of today.

A BOOKLET has been prepared which tells about this new Course and Service. Its title is "What an Executive Should Know." It should be read by every man who faces the responsibility of shaping his own future. It is free.

We will send you this booklet if you will simply give us your name and address on the coupon below. But we do not urge you to send for it. If you are the type of man for whom the new Course and Service has been constructed, if you are determined to take advantage of the rich opportunities of the next five years, you will send for it without urging.

To the Alexander Hamilton Institute, 385 Astor Place, New York City. (In Canada, address Alexander Hamilton Institute, Ltd., C. P. R. Building, Toronto.)

Send me "What an Executive Should Know," which I may keep without charge.

NAME.....

BUSINESS
ADDRESS.....

BUSINESS
POSITION.....



The case of JIM TARDY



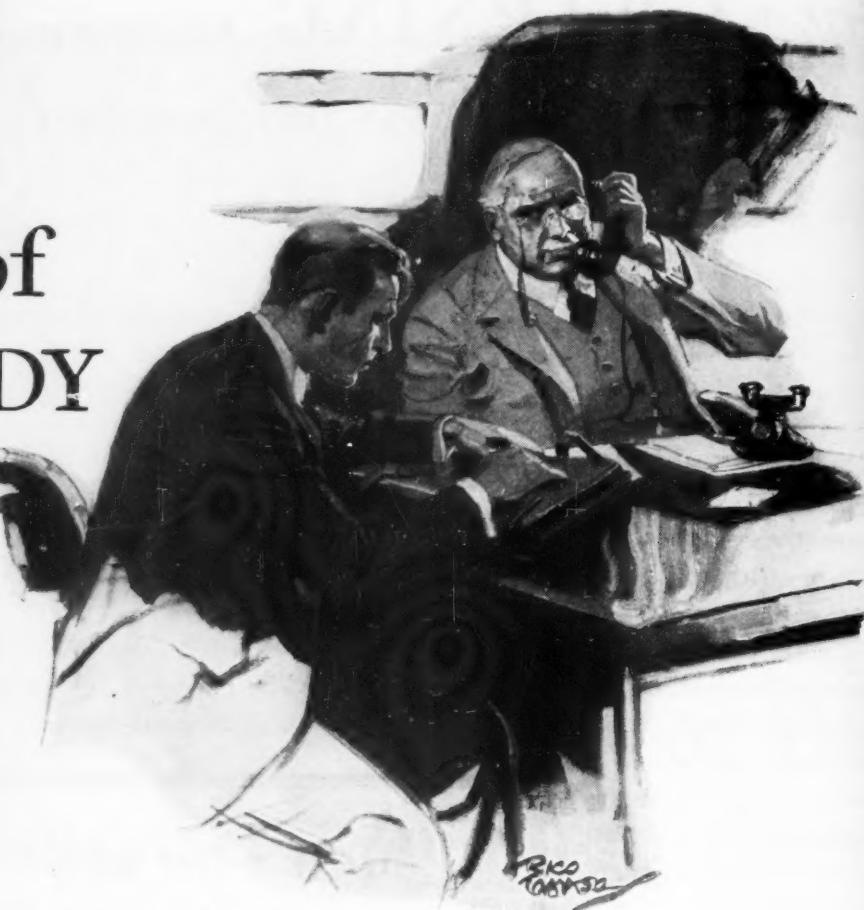
Talon-fastened brief case that doesn't keep you waiting when you want to put things in or take them out.



Talon-fastened business cases that you can close securely and open promptly.



Talon - fastened correspondence folder in which things are safe as well as accessible.



FOR years I'd been trying to get Jim Tardy to pension his old brief case. I'd shown him mine a hundred times. "Look here, Jim," I'd say, "these Talon Slide Fasteners are the slickest things that ever fastened a brief case." Then I'd demonstrate.

"Look how quickly you can open this," I'd say to him. "No buckles or catches to fumble with — nothing to hold you up when you've got a customer whose time is important."

But I couldn't budge him. He clung to that old case. And he'd probably be clinging to it yet if something hadn't happened. One day Jim had reached the inner shrine of a buyer he'd been trying to see for weeks and weeks. "Have to catch a train," said the buyer. "Can you tell me your story fast?" Jim said he could—and started.

By the time he'd got his brief case unbuckled and out-fumbled a contrary lock, three minutes had passed. Before he could tell half his story the phone rang. "Train time, Mr. Haskell," said a feminine voice.

Jim knows when he's licked — and why. He never did get that contract. But he did get a new brief case. "What kind do I get?" he asked me, when he'd unburdened himself. "One with a Talon Slide Fastener on it," I said. "Talons won't rust, jam, or stick. And they always work."

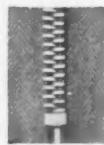
"How can I tell if I get a genuine Talon?" he queried—sort of a skeptical fellow, Jim is. "Easy!" I says. "The genuine has TALON on the pull-tab." Well, Jim sports a classy brief case now. He says it was worth losing a dozen contracts to get converted!



TALON

Reg. U. S. Pat. Off.

THE SLIDE FASTENER
THAT ALWAYS WORKS



HOOKLESS FASTENER COMPANY • MEADVILLE, PENNSYLVANIA
NEW YORK • BOSTON • CHICAGO • LOS ANGELES • SAN FRANCISCO • SEATTLE

When writing to HOOKLESS FASTENER COMPANY please mention Nation's Business



An interesting one-reel film, "The Battle Song of the Cities," depicting some phases of the smoke evil, will be sent free of charge to clubs, churches, schools, or other organizations desiring instructive entertainment for their meetings. Please write our Philadelphia office.

WILL THE SMOGGERS WIN?

THE "smoggers", the people who permit their chimneys to belch forth clouds of dirty smoke, or greasy film that contaminate the atmosphere and spread dirt over everything, will begin their winter's work soon.

Will they win in your town? Or will the sense of civic pride and civic responsibility seize the leadership and keep the winter skies above you clean and healthy?

The choice is yours. The way to cleaner skies is easy. For homes, it means using a fuel like Famous Reading Anthracite—that better Pennsylvania hard coal—clean, sootless, smokeless, dependable and economical.

Your coal merchant has it, or can get it. Just insist on Reading Anthracite—nature never made, nor has man discovered, a finer fuel.

THE PHILADELPHIA AND READING *
COAL AND IRON COMPANY



THAT BETTER PENNSYLVANIA HARD COAL

The Giant and the Pygmy



© 1930 M.L.I.CO.

EITHER from your own personal experience or from observation you know how miserable one can feel when suffering from a cold.

Of course you know some of the causes—chilling drafts, wet feet, over-fatigue, balky digestion, or an invading germ. You know it is harder to fight a cold when you are rundown. Keep yourself fit.

For the sake of your own personal comfort you want to get rid of a cold in the shortest possible time. For your own personal safety and that of your friends you ought to get rid of a cold in the shortest possible time.

There are many different kinds of colds—hard to distinguish one from the other. All of them are threats and one leads to another.

The original cold, if not promptly cured, breaks down resistance and is sometimes followed by a second cold more stubborn and oftentimes more treacherous than the first. The mucous membrane of the nose and

throat is so weakened by Cold No. 1 that the way is opened for dangerous germs to enter.

Cold No. 1 is the Pygmy that crawls through the keyhole and unlocks the door for Cold No. 2, the Giant. In fact, to carry the picture further, the Pygmy Cold, which may be nothing worse than snuffles, a slight cough, a bit of an ache or a pain, may be followed by any one of several Giant Colds—influenza, pneumonia or tuberculosis.



Take no chances the next time that symptoms of catching a cold are shown by you or someone in your family. Consult your doctor and dispose of the Pygmy quickly, before he can open the door for the Giant. At such a time a skilful doctor is your best ally and you will be wise in following faithfully his orders.

Metropolitan Life Insurance Company will be glad to mail free, its booklet, "Just a Cold? Or"—to anyone who requests it. Address Booklet Department 1230-U.

METROPOLITAN LIFE INSURANCE COMPANY

FREDERICK H. ECKER, PRESIDENT

ONE MADISON AVE., NEW YORK, N. Y.



TIME—THAT TOUGH OLD TESTER

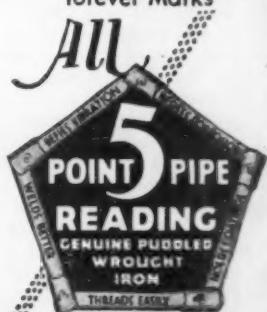
Here is Time, that Tough Old Tester of everything in this world. To his aid, Time calls all the destructive forces of the universe. Years come and go, storms and sunshine, heat and cold make their accustomed rounds, while Time, the Tough Old Tester, broods over the world, trying, testing, destroying.

*Use only Reading
5-Point Nipples
with Reading 5-
Point Pipe—you'll
know them by the
indented spiral
band*

Yet Time, the Tough Old Tester, does have his troubles. Against one material devised by man, Time and his serving-men falter. The material is genuine Puddled Wrought Iron—the metal of which Reading 5-Point Pipe is made.

READING IRON COMPANY, Reading, Pennsylvania

For Your Protection,
This Indented Spiral
forever Marks



Science and Invention Have Never Found a Satisfactory Substitute for Genuine Puddled Wrought Iron



WHEN THE DESERT BLOOMS

WHERE mighty stretches of bleak, burned country once sprawled in the sun, far-flung regiments of ripening grain stand in columns at salute to the friendly waters which come from afar to nourish them. Swamps and glades, for countless centuries submerged in muck, by the touch of man's genius and determination, have risen from jungle mire to blooming plains, sighing in the wind.

These achievements are not miracles. Neither do they become realities by mere dreaming nor economic necessity. Practical visualization—expert application—trained execution, these are the man-forces which wave the magic wand of life over the brown, barren fields of forgotten ages! Adding nothing to that which already exists in these places—supplying the one needed element that brings rich elements already present together in perfect combination.

Every year many thousands of men, endowed with unexcelled native qualities, recognizing the necessity of practical training to mobilize their talents for the

conquest of success, enroll for courses with the International Correspondence Schools. These men, residing everywhere, find in I. C. S. study the one element required to place them in full command of their natural assets and business experience. In a proved way, they reclaim their own destinies . . . plant the seeds which insure bounteous harvest years ahead! Confidently, they challenge the future.

In reclamation projects today, or wherever the marching development of modern civilization is under way, executives are present who equipped themselves for leadership in these stupendous tasks by devoting spare-time to I. C. S. engineering and business courses. In every field of important endeavor men are present who point with pride to I. C. S. instruction as the beginning of their careers. Each year thousands of enrolments come from younger men who are following the experience—and advice—of their superiors.

Nearly four million men, in the thirty-nine years of this institution's history, have come under the influence of I. C. S. study.

Peruse the "who's who" list of American and world business—their names here are legion! Each year literally thousands of I. C. S. trained men forge to the front in their callings.

International Correspondence Schools text-books have been written and are constantly revised by more than fifteen hundred authorities in their respective fields. 2322 of the world's leading industrial and commercial organizations have arranged with I. C. S. to supply training to their employees; 355 leading railroads have done likewise.

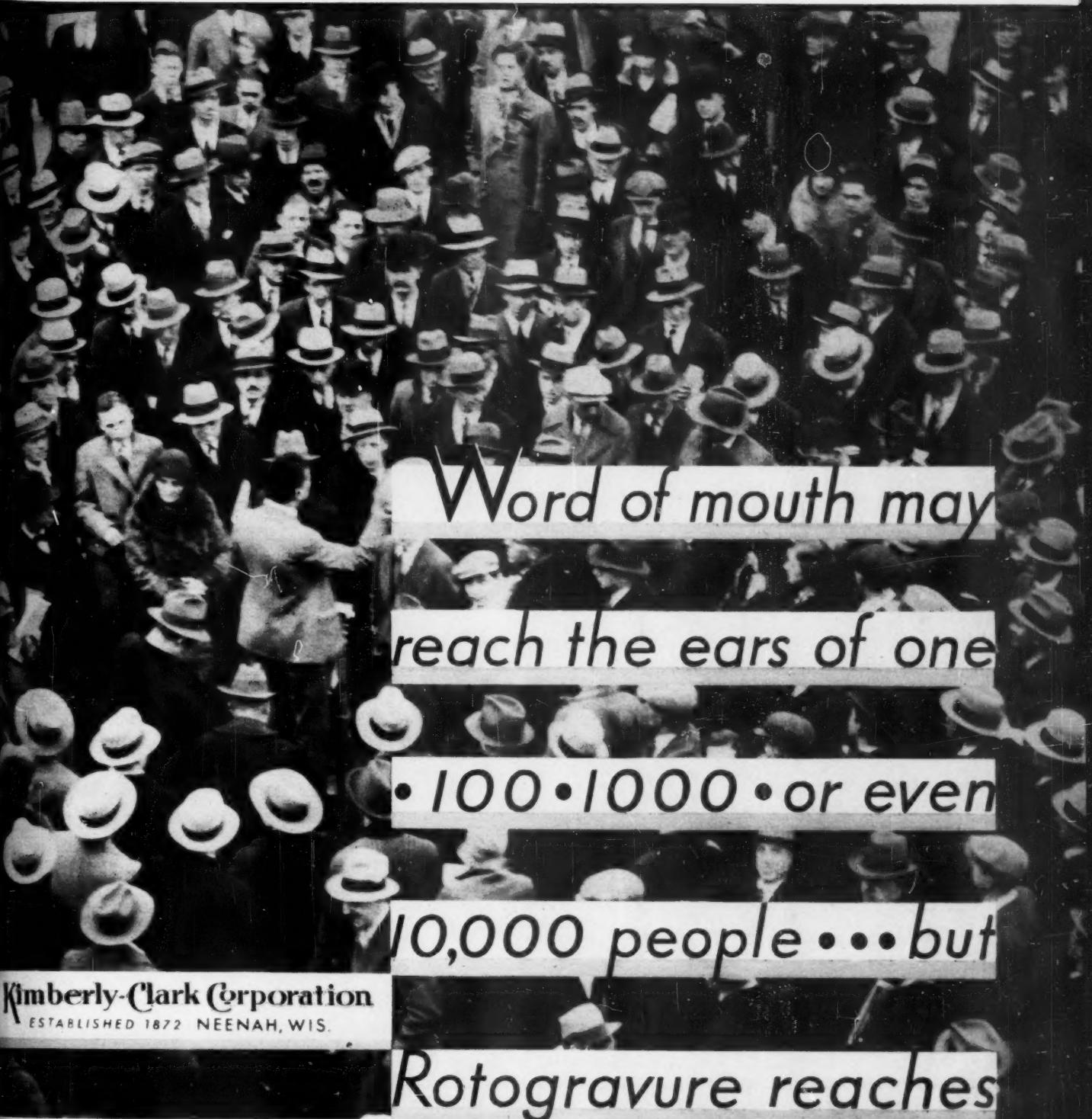
In the great mission of providing inspiration for the reclamation of men's undeveloped resources and utilization of their natural talents, International Correspondence Schools stand as a great reservoir in the desert place of a world that is more and more requiring expert and practical training for the bigger opportunities ahead! In all walks of life, this training is helping men bloom into greater success.

Write for the booklet, "The Business of Building Men!" It is free.

INTERNATIONAL CORRESPONDENCE SCHOOLS

FOUNDED 1891
SCRANTON, PENNSYLVANIA

MEMBER, NATIONAL HOME STUDY COUNCIL



Word of mouth may
reach the ears of one
• 100 • 1000 • or even
10,000 people ... but

Rotogravure reaches

Kimberly-Clark Corporation
ESTABLISHED 1872 NEENAH, WIS.

NEW YORK CHICAGO LOS ANGELES
122 E. 42nd St. 8 S. Michigan Ave. 510 W. Sixth St.

Makers of the paper that for years has set
the standard for every type of rotogravure

reproduction and that is equally well suited
to fine color or black and white printing.

THE EYES OF

16,000,000

Printing rotogravure—the supreme—on anything but the finest paper obtainable for that purpose, is like trying to reproduce a Raphael on wrapping paper. Fine Quality is sacred. KIMBERLY-CLARK for sixteen years has maintained the highest standards in paper making for quality rotogravure printing. Thus shall it always be—rotogravure deserves the best. Keep it so!

And there must be a reason, too, why printers recommend Kimberly-Clark papers for broadsides, house organs, fine booklets, package enclosures, catalogs, and other literature in rotogravure prepared for exacting customers.

Kimberly-Clark Corporation
ESTABLISHED 1872 NEENAH, WIS.

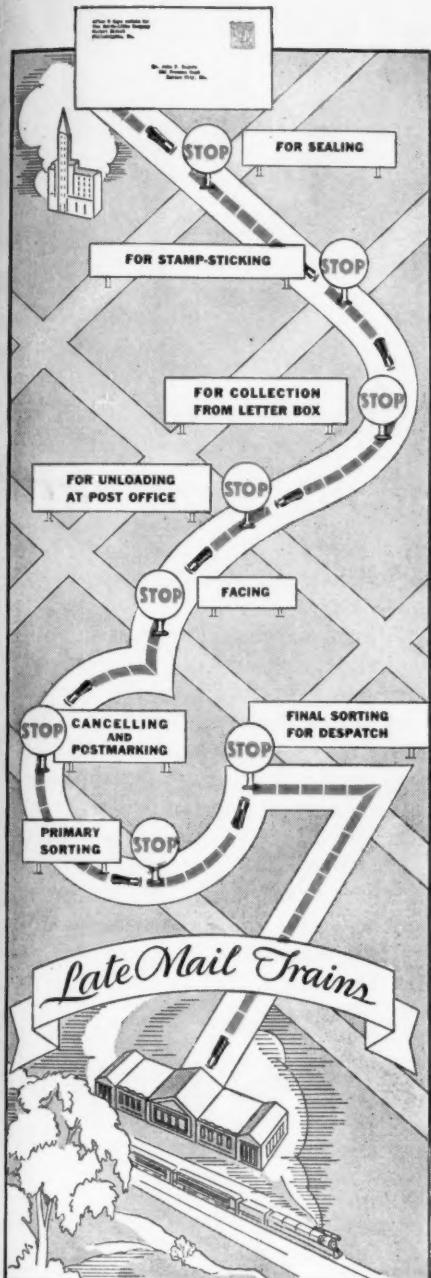
CHICAGO—8 S. Michigan Ave.

NEW YORK—122 E. 42nd St.

LOS ANGELES—510 W. Sixth St.

A Safer, Faster JOURNEY FOR YOUR IMPORTANT LETTERS

... when they travel the road to the right



YOU sign an important business letter... see it collected. What happens to it? How will it travel to its destination?

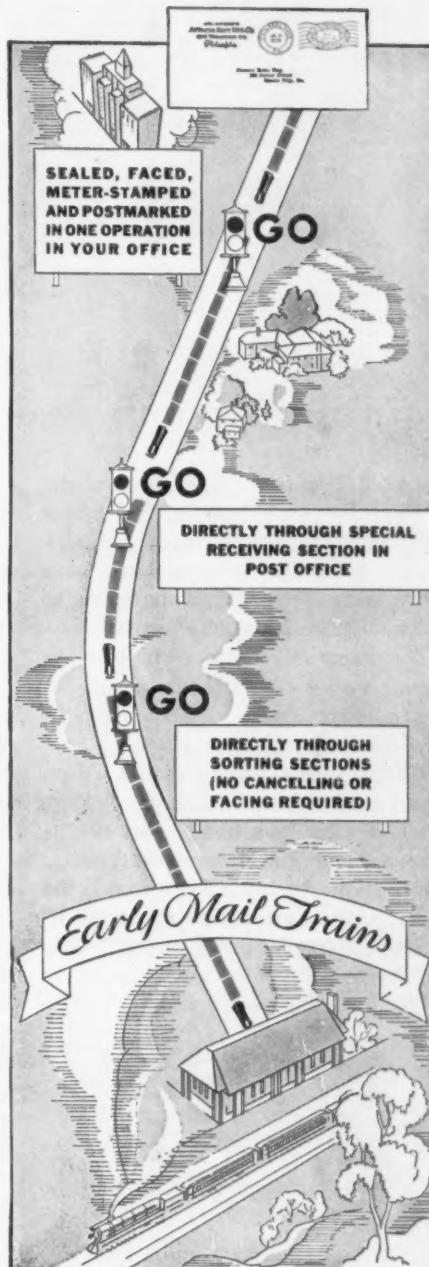
These questions are more important than you think. There are two routes for your mail—the postage stamp route at the left and the Metered Mail route at the right. The latter is the safer, faster way. Follow the roads and see why.

The postage stamp route is lined with "Stop" signals. The Metered Mail route is the "through" route which puts your mail on the first train.

Along the postage stamp road there are stops in your Mail Department for envelope sealing and stamp sticking. There is a wait in the letter box for a collection. And there are several more stops in the Post Office. It's like being held by a traffic light at every street corner when you are in a hurry.

What a difference along the Metered Mail route. Your letter jumps away like a sprinter leaving the mark in a hundred-yard dash. Your letter is sealed, faced, meter stamped and postmarked in one operation in your own office by a Postage Meter machine. It goes directly through a special receiving station in the Post Office... directly through sorting sections to the early train. It's off!

The use of Metered Mail in saving time and money is of great benefit today to many thousands of firms, large and small. Let us show you how you can use it to send your mail—letters and parcel post—along this safer, faster route. Write us for the complete story.



TRADE
METERED MAIL
MARK

THE POSTAGE METER COMPANY

SOLE DISTRIBUTORS OF PITNEY-BOWES MAILING EQUIPMENT • 937 PACIFIC ST., STAMFORD, CONN. • BRANCHES IN 25 CITIES

When writing to THE POSTAGE METER COMPANY please mention Nation's Business

New



Some things the Census doesn't tell about them

IF YOU have seen the findings of the 1930 Federal Census you know that California led the country in population gain. But do you know that the wealth of this state increased at an even more astonishing rate?

Between 1920 and 1930 the per capita value of taxable property increased from \$2,658.60 to \$3,485.86, or 31 per cent.

Throughout the growing West you'll find this sound development. That is why business men everywhere have found new interest in this market. And San Francisco is the logical city from which to serve it! (Another thing the census doesn't tell.)

Fifty per cent of the total population of the eleven far Western states can be

served most quickly and cheaply from San Francisco, in the center. Another twenty-five per cent can be served on an equal basis with any other city.

To the advantage of speedy, low-cost transportation by rail, highway and water, San Francisco adds the close proximity of raw materials, and an abundance of highly productive labor, low-cost power and fuel, including natural gas and a mild, even climate, with neither winter cold nor summer heat to slow production.

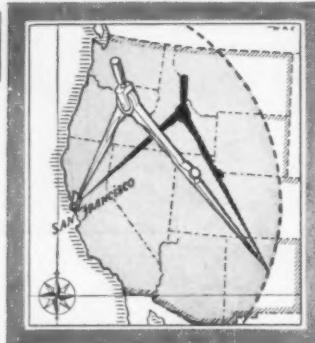
Small wonder that San Francisco is today headquarters city for the leading industrial, commercial, trans-

portation and financial interests of the West.

With the tremendous, steady population development of this West and with San Francisco Bay, the second port of the United States and the traditional gateway to 900,000,000 pan-Pacific people whose modern wants are rapidly increasing, San Francisco merits your profound attention.

Your name and address on the coupon below will bring an illustrated book to show you why manufacturers and other business men choose San Francisco. Fill in the coupon now. And send it!

SAN



FRANCISCO

IN CALIFORNIA—"WHERE LIFE IS BETTER"

CALIFORNIANS INC., Dept. 1312, 703 Market Street, San Francisco: Please send the free book "Why Manufacturers Choose San Francisco."

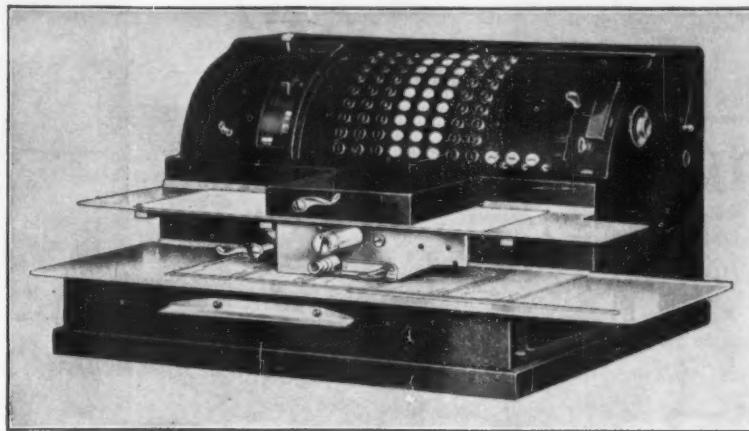
Name _____

Address _____

When writing to CALIFORNIANS

AN ENTIRELY NEW PRODUCT IN THE FIELD OF BUSINESS MACHINES

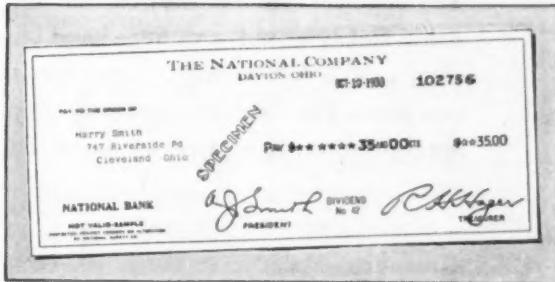
The
NATIONAL
 CHECK-WRITING
and SIGNING
 MACHINE



This new National Cash Register Product gives results in the writing and signing of checks that have never before been possible.

It is years ahead of any other check-writing or signing system ever built. At one operation it imprints the amount, date and number, signs and countersigns a check and prints a duplicate record on a journal sheet. It is producing outstanding results in banks, factories, and other institutions.

This new machine brings the service of National Cash Register products to a new field of business activity. It is another reason why the business world of today looks to this Company for the answer to all of its accounting problems whatever they may be.

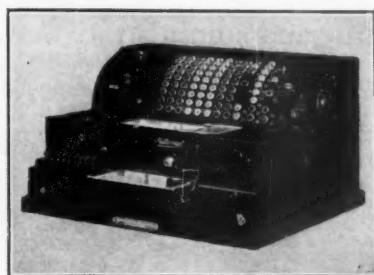


This check was filled in by the National Check-Writing and Signing Machine which printed the date, the number, the amount in two places and the signature. At the same time the check was listed in consecutive order on a check journal sheet and the amount added into its proper classification total . . . of which as many as twenty-seven can be had on one machine.

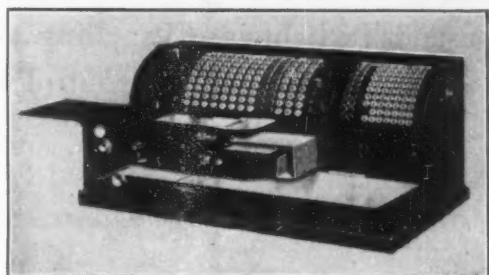
OTHER NATIONAL ACCOUNTING MACHINES WHICH ARE HELPING BUSINESS



Bookkeeping Machine



Posting Machine



Analysis Machine

THE NATIONAL CASH REGISTER COMPANY

World's Outstanding Producer of Accounting Machines and Cash Registers

DAYTON, OHIO

They Spent

\$10,000

**FOR AN AUTOMATIC
STOKER...**

The engineer's report showed that the automatic stoker would save 50% hand labor . . . show a 30% fuel saving . . . pay for itself in two years. The finance committee okayed the appropriation as a piece of sound business.

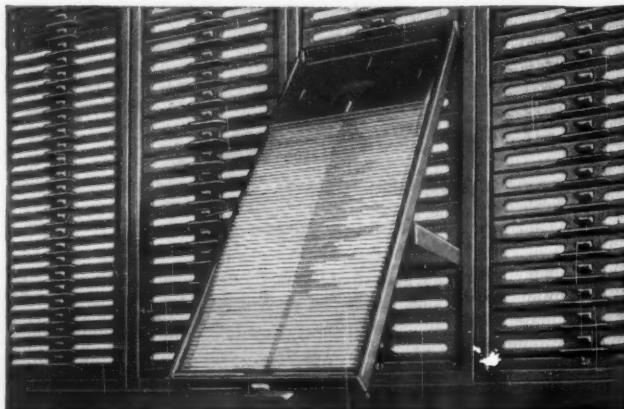


AMERICAN industry has never hesitated to scrap its machines when it found better ones. It never ceases its search for labor-saving, cost-lowering methods.

But here's a curiosity. A management that is alert to opportunities in its plant is often blind to opportunities equally as great in its offices and its field organizations.

Anxious to save a dollar in manufacturing, it does not always see where it could save thousands by lightening its selling, accounting and administrative overhead . . . by speeding its work . . . improving its control with more ample and accurate information.

Do you want to make quick economies? Do you hesitate . . . believing that money-saving methods would cost too much to install? Let Remington Rand show you what can be done in as little as thirty days. Discover how quickly the right equipment pays a profit . . . besides paying for itself out of savings.



Even in periods of business depression

Certain Companies FORGE AHEAD



THE REPORT of a large New York bank on the net profits of 550 industrial corporations for the first half of 1930 shows an average drop of 30.4%.

However, all corporations in the same line of business are not faring equally. All are not down.

Occasionally you hear of a company that is faring better than average—rarely of one that is said to be AHEAD. What are the facts?

In our own experience the facts may be interesting:

Of our clients manufacturing or distributing food products, a comparison with 1929 reveals that 85% are AHEAD.

In the baking field, although the industry as a whole is reported 14.3% off, our clients are *all* AHEAD.

Our clients in the drug field are AHEAD from 8% to 38%. One which began advertising this year in a highly competitive line is 105% AHEAD.

Third-quarter reports for these companies continue to be impressively favorable, with indications that the last quarter will be no exception to the trend.

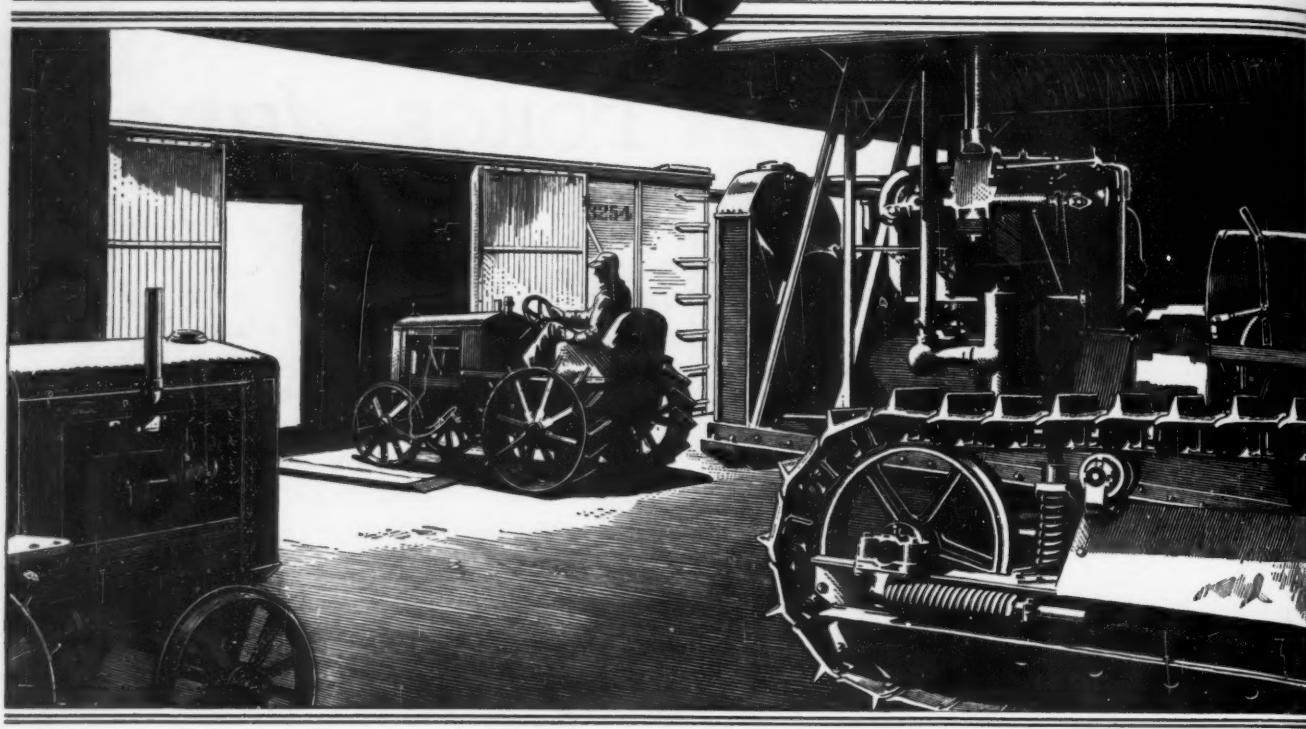
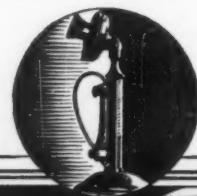
The figures reveal that of all clients whose sales positions are reasonably dependent upon advertising:

75% are AHEAD of 1929 positions.

87.5% are AHEAD of 1928 positions.

J. WALTER THOMPSON Company

NEW YORK	CHICAGO	ST. LOUIS	BOSTON	CINCINNATI	SAN FRANCISCO	LOS ANGELES
MONTREAL ✓	LONDON	PARIS	MADRID	BERLIN	STOCKHOLM	COPENHAGEN
ANTWERP	WARSAW ✓	ALEXANDRIA	PORT ELIZABETH ✓	BUENOS AIRES	SAO PAULO	
BOMBAY ✓	MELBOURNE		SYDNEY ✓	BATAVIA ✓	WELLINGTON	



Business was Quiet...but the Telephone brought \$22,200 in New Orders

A TRACTOR company's sales had fallen off to a marked degree. A telephone sales program to distant customers was decided upon. One result was \$18,400 worth of business. Another, a \$3800 order after the purchaser had refused a personal interview.

An Eastern lumber company regularly "visits" lumber yards in five states by telephone. In one month 550 carloads of lumber totaling nearly \$500,000 were sold by this modern method. Toll bills averaged less than one-half of one per cent.

Business firms, large and small, are using out-of-town telephone service more than ever to increase sales . . . reduce

distribution costs . . . meet competition. New markets are developed at little expense. Customers and prospects are economically contacted between salesmen's visits.

Develop your business by telephone. Best results are obtained by having a definite plan for executives and salesmen to follow. Your local Bell Telephone Business Office will gladly submit a plan to meet your needs.

Inter-city calls are cheap, definite, resultful. Typical station-to-station day rates: Pittsburgh to Indianapolis, \$1.50. Boston to Atlanta, \$3.50. New York to Baltimore, 90c. Philadelphia to Seattle, \$8.50. Bell Telephone service is *Quick . . . Convenient . . . Universal.*



"I am
ARC WELDING
... where I work
QUIET reigns"



WHO can measure the cost of the needless noise in manufacturing and construction—the overstrained nerves that result in lowered output and poorer quality.

The ear splitting, rat-a-tat-tat of metal against metal and the deafening racket of vibrating machinery are unnecessary. Arc welding supplants these noise-producing operations, as well as many others, with a quietness which improves working conditions and promotes faster production.

Arc welding silently fuses member into member, giving the product or structure full advantage of the strength and rigidity of the material used.

This quiet, swift method of production merits your investigation. You will find that you can also profit from the many other real advantages arc welding offers. Ask the sponsors of this message for detailed information.

I am ARC WELDING
my sponsors are

GENERAL ELECTRIC COMPANY
Schenectady, N.Y.

WESTINGHOUSE ELECTRIC & MFG. CO.
East Pittsburgh, Pa.

LINCOLN ELECTRIC COMPANY
Cleveland, Ohio

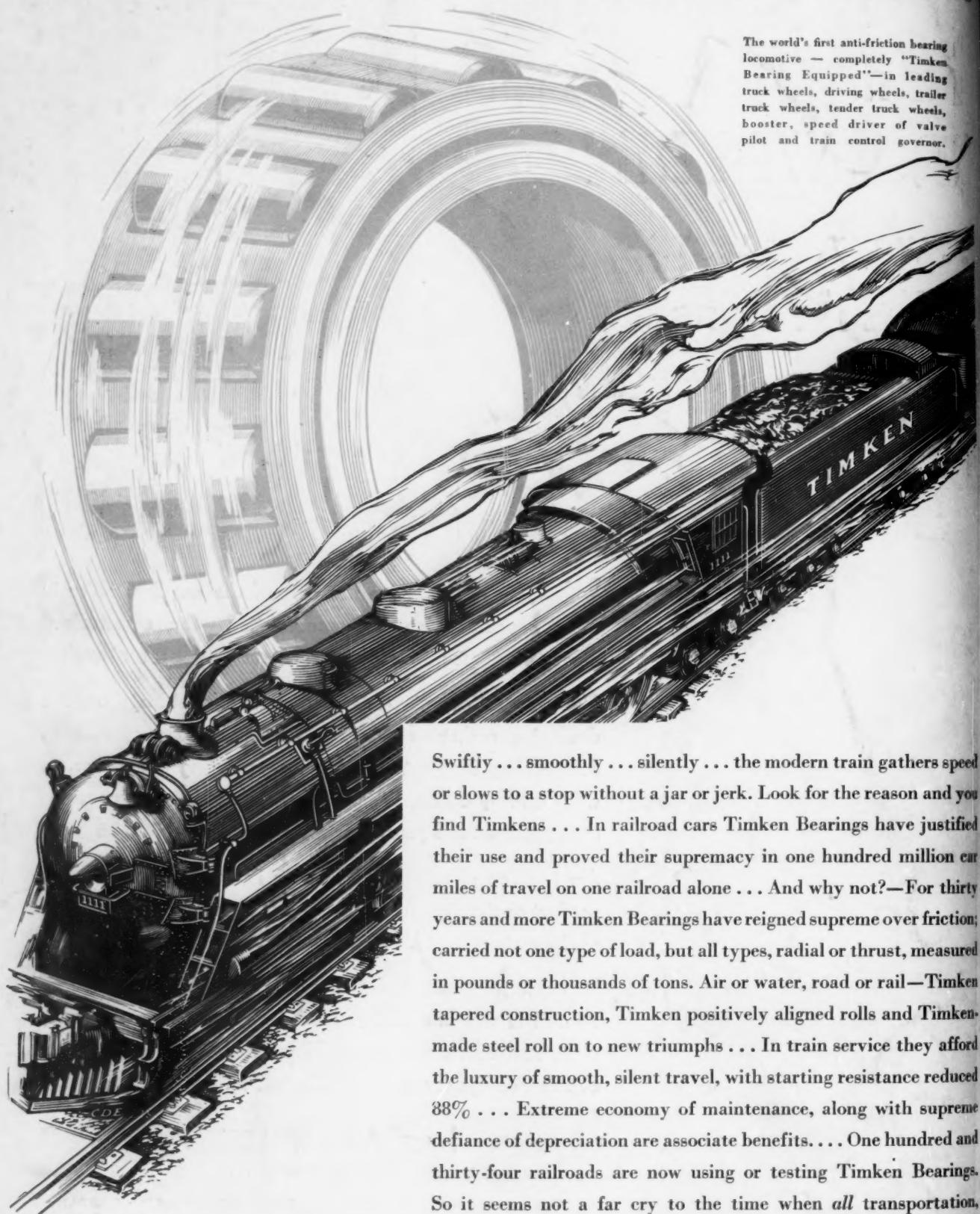
NORTHWESTERN MFG. COMPANY
Milwaukee, Wis.

UNA WELDING & BONDING COMPANY
Cleveland, Ohio

WILSON WELDER & METALS COMPANY
North Bergen, N.J.

MY PLATFORM IS STEEL • MY CREED IS PROGRESS

MODERN TRANSPORTATION ROLLS ON TIMKENS



The world's first anti-friction bearing locomotive — completely "Timken Bearing Equipped"—in leading truck wheels, driving wheels, trailer truck wheels, tender truck wheels, booster, speed driver of valve pilot and train control governor.

Swiftly . . . smoothly . . . silently . . . the modern train gathers speed or slows to a stop without a jar or jerk. Look for the reason and you find Timkens . . . In railroad cars Timken Bearings have justified their use and proved their supremacy in one hundred million car miles of travel on one railroad alone . . . And why not?—For thirty years and more Timken Bearings have reigned supreme over friction; carried not one type of load, but all types, radial or thrust, measured in pounds or thousands of tons. Air or water, road or rail—Timken tapered construction, Timken positively aligned rolls and Timken-made steel roll on to new triumphs . . . In train service they afford the luxury of smooth, silent travel, with starting resistance reduced 38% . . . Extreme economy of maintenance, along with supreme defiance of depreciation are associate benefits. . . . One hundred and thirty-four railroads are now using or testing Timken Bearings. So it seems not a far cry to the time when *all* transportation, passenger cars, freight cars, mine cars, motor trucks, buses and motor cars will be traveling totally "Timken Bearing Equipped." . . . Modern transportation rolls on Timkens...The Timken Roller Bearing

Company, Canton, Ohio.

© 1930, The Timken Roller Bearing Co.



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